

Talking the Value out of the Deal:  
Self-Perception and the Subjective Value of Negotiated Outcomes

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**Abstract**

Negotiation is a social interaction based on influence, but little is known about the processes by which the experience of negotiating may influence negotiator's own beliefs. I suggest that value-oriented arguments – those arguments intended to influence the counterpart's perception of the value being claimed by each party – made during negotiation drive a self-perception process that diminishes the subjective value of a negotiator's own outcome. Six studies provide a diverse set of tests of the theory. Study 1 shows that MBA graduates who choose to negotiate their job offers are less satisfied with their compensation than those who do not negotiate. Study 2 compares negotiators using the four fundamental distributive negotiation strategies in a dispute. Study 3 reveals the natural focus on value-oriented arguments by naïve negotiators. Study 4 focuses on the buyer-seller context and value-oriented arguments and compares subjective ratings of the product as well as economic decisions. Study 5 tests the theory with a real product and behavioral dependent measures. Study 6 exercises more control over the process in an impoverished argument paradigm to test process hypotheses. Implications include a better understanding of self-perception processes, improved prescriptive negotiation theory, and additional rationales for negotiation agents.

Talking the Value out of the Deal:

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Imagine the case of an art dealer presenting a painting to an interested potential buyer. The dealer would be smart to point out the painting's most appealing attributes; perhaps that the work is from a particularly productive and popular period in the artist's life. The buyer has similar strategic goals to influence the seller and may counter with facts that suggest the painting should be sold for a lower price. In the case of the painting, for example, he may point out that the still-life subject in this particular piece was never the artist's strong suit. These points may positively influence the economic outcome for the more persuasive party, but how might they influence the negotiators' subjective experience with the outcome? Is the buyer constantly reminded that the artist's landscapes were superior once the painting is on his wall? Does the dealer wonder if he should have held out for more on a piece from such an influential period?

This dissertation combines classic observations from attitude-behavior consistency theories, self-presentation models, and negotiation research to ask whether the strategically-motivated behaviors we engage in during negotiation affect our perceptions of the value of the negotiated outcomes. Prior work in these domains gives reason to believe that we do unintentionally influence ourselves during negotiation and that the effects can be detrimental to the utility we experience from the outcomes. In this dissertation, I present data from a series of six studies which establish the research question, provide evidence of a general effect of self-perception in negotiation, and test potential explanations of the process by which the arguments we make shape how we value the outcomes.

## Strategic Presentation

Erving Goffman described our presentation of the self and interactions with others as dramaturgy, a performance designed to create specific useful impressions in the eye of others (Goffman, 1959). In his conception, a person's behaviors are an attempt to influence their counterparts by “expressing himself in such a way as to give them the kind of impression that will lead them to act voluntarily in accordance with his own plan” (p. 4). That is to say, people present an external self that they believe will encourage other people to cooperate with their goals. Goffman was influenced by Park who laid an even more foundational design observing, “everyone is always ... playing a role. It is in these roles that we know each other; it is in these roles we know ourselves” (Park, 1950, p. 249).

Negotiation is a special case of dramaturgical interaction in which the self we present is chosen specifically to influence a counterpart's willingness to accept our offers. Although the model of negotiation as an influence process has not been prominent in the literature (Malhotra & Bazerman, 2008) it is central to the practitioner and lay concepts of negotiation. Negotiation texts commonly stress the importance of supporting offers or claims with rationales and justifications. From “The importance of providing a rationale cannot be overestimated” (Thompson, 2001, p. 52) to “Ask yourself how the other side might explain and justify an agreement” (Fisher & Ury, 1981, p. 171) justifications are central to the prescribed approach of value claiming through persuasive reasoning.

What evidence is offered to support this emphasis on arguments and persuasion in the prescriptive literature? After all, the economist's perspective would be that structural features of the situation drive outcomes while cheap talk has limited relevance. Most texts cite Langer's work on the effectiveness of pairing requests with reasons even when those reasons are “placebic” (Langer, Blank, & Chanowitz, 1978). In that study, compliance to requests with a reason was 50% higher than plain requests even when the reason was meaningless. This finding is consistent with other work that shows

the effectiveness of information-based persuasion in marketing (Ratneshwar & Chaiken, 1991) and in management (Yukl & Tracey, 1992). Some of the only work so far to specifically answer Malhotra and Bazerman's call for investigations into persuasion in negotiation (2008) supports the relevance of informational arguments on outcomes. In four studies, Maaravi and colleagues compare opening offers made with or without justifying arguments and find that the inclusion of an argument induces the counterpart to search for counterarguments and results in worse outcomes for the focal negotiators (Maaravi, Ganzach, & Pazy, 2011). These findings are consistent with two points of this proposal: that arguments made during a negotiation may influence outcomes, and that more research is needed to better inform our prescriptive recommendations.

In this dissertation, I both measure the natural frequency of information-based persuasive arguments in negotiation by non-experts as well as manipulate the use of such arguments. Unlike previous work, my focus is on the effect that making these arguments has on negotiators themselves. By presenting a reason, negotiators are making a statement about their beliefs and by extension about themselves. When a negotiator argues that a painting is valuable because it is a beautiful example of a Renaissance portrait, he or she suggests that they value portraits positively and that this example matches their tastes. In this way, basic negotiation strategies relate to the self-presentation framework offered by Goffman (1959). Negotiators engage in a presentation of themselves shaped by the influence they hope to have on their counterpart. But not all arguments in a negotiation play the same role in presenting a strategically favorable self.

Within the scope of persuasive arguments, the negotiator may employ a number of approaches. This dissertation establishes first that persuasive arguments in general can affect a negotiator's own perceptions of the outcome, but then differentiates between these effects. The *Essentials of Negotiation* text (Lewicki, Barry, & Saunders, 2007, p. 33) presents a generalized version of the typology of

argument types presented by Walton and McKersie (1965, p. 59). The four points describe dimensions on which a negotiator may attempt to influence their counterpart's perception of the situation in order to secure a more favorable outcome. The four types are a product of two dimensions on which argument types differ: the focal agent (self vs. counterpart), and whether the value being described is internal (current offers and issues) or external (alternatives) to the negotiation. Lewicki et. al. and Walton and McKersie suggest that a negotiator should make arguments designed to persuade their counterpart that:

1. The current value within the negotiation is low for the self (Own Value Low).
2. The value of their own Best Alternative to Negotiated Agreement (BATNA) is high (Own BATNA Strong).
3. The current value within the negotiation is high for the counterpart (Other Value High).
4. The value of their counterpart's BATNA is low (Other BATNA Weak).

Each of these strategies suggest that the counterpart would be wise to make concessions to reach a deal. My interest focuses on negotiators who engage in the dramaturgical act of presenting these arguments and how it affects subsequent perceptions of the outcome. Each argument type has different implications for the behaviors required and potential effects on outcome perceptions.

Own Value Low. To make a compelling argument that the current value within the negotiation is low to the self, the negotiator must denigrate the value of the offers made to them. If they are a buyer this means pointing out flaws or weaknesses in the product to justify a lower price. Sellers face a symmetric task, arguing that the terms being offered are too low to compensate them for their good. Negotiators in either of these roles who make this type of argument denigrate the position they will hold if a deal is reached.

Own BATNA Strong. Emphasizing the high value of one's alternatives puts pressure on the counterpart to exceed that value within the current negotiation or risk an impasse. Buyers may

highlight the number of attractive alternatives on the market. Sellers often suggest that a line of potential buyers is waiting just outside the door. Both roles' arguments suggest that the counterfactuals to any deal reached in the present negotiation are quite attractive, potentially reducing the perceived value of the negotiated outcome.

Other Value High. Intuition would suggest that sellers routinely rely on this argument type, highlighting the positive outcomes realized by their customers in the event of a deal. Singing the praises of a product to be sold serves to justify the sales price while also raising the salience of the good's positive attributes. Buyers in some situations may also use these arguments to point out how well off the seller will be by virtue of making the sale.

Other BATNA Weak. A negotiator may denigrate the quality of his or her counterpart's alternatives in order to put pressure on them to accept favorable terms in the current negotiation. Doing so increases the perception that the offers in the present negotiation are unique, scarce, and thus valuable.

To simplify discussion of these argument types, I'll refer to the Own Value Low and Other Value High argument types as "value-oriented" arguments. Conversely, the Own BATNA Strong and Other BATNA Weak can be grouped together as "alternative-oriented" arguments. Generally, grouping these argument types together theoretically is sensible because the predictions are similar within the groups once roles are taken into account. Within the value-oriented arguments for example, Own Value Low is likely to be more frequently used by buyers while Other Value High is a more common strategy among sellers (this is tested empirically in Study 3). These strategies are opposite, but so is the experience of a sale for people in these roles. Buyers gain the focal good while sellers give it up. To the extent that these roles have equal but opposite goals, these equal and opposite argument types play a similar role.

It is one thing to establish a typology of basic persuasive arguments in distributive negotiation, but another to suggest that doing so has an effect on subsequent perceptions of the outcome. To the extent that negotiators consciously formulate their strategies, they may draw clear lines between the self they are representing to their counterpart and the one they see internally. They may argue vociferously for a lower price on the grounds that the product is flawed but privately hold a high opinion of its value. A large body of research suggests that maintaining such a gap between external behaviors and internal beliefs may be quite difficult and unlikely to persist.

### **Consistency Theories**

Research on self-inference processes have shown how powerful a person's behaviors can be in influencing their attitudes and beliefs. First termed "self-persuasion" by Hovland (1953), the idea that individuals may observe themselves as they form their conscious attitudes seemed contrary to the way we envision behaviors as following from our attitudes. Some of the earliest studies showed that participants instructed to give a speech in support of a randomly chosen position find themselves more supportive of that position after the experience (Janis & King, 1954). The work that followed has shown how people observe themselves in order to determine their attitudes and beliefs in a wide variety of domains including self-esteem, body image, interpersonal relations, and motives (Olson & Hafer, 1990).

The mechanisms by which self-inference operate have been well researched in social psychology since the concept was first established. Bem provided the groundwork by theorizing that "people's attitudes are often weak; consequently, when they are asked to express an attitude, people may have to infer and answer by reviewing past behaviors" (Bem, 1972). Weak and malleable attitudes that draw from behaviors are then particularly vulnerable to behaviors that are constrained or otherwise influenced by external forces. When participants are asked to focus and reflect on a belief, it

tends to strengthen and polarize that belief because of the selectivity with which previously non-salient characteristics are brought to mind (Fishbein & Ajzen, 1975). Work on the topic peaked in the 1970's as researchers sought to differentiate the theory from dissonance research (Festinger & Carlsmith, 1959) which also predicts a shift in beliefs as a reaction to discordant behavior. Somewhat more recent work (Higgins, McCann, & Fondacaro, 1982) on influence and argument selection is particularly relevant to our understanding of the effects on negotiators. In his "communication game" paradigm, Higgins was able to demonstrate that participants naturally tailor the content of their messages to their audience, according to the audience's desires. Participants then reported their own attitudes as more closely aligned with the subset of content they selected and communicated. Wilson extended these phenomenon to show that even constrained self-reflection (e.g. saying things to oneself) was sometimes sufficient to induce a shift in attitudes (Wilson, 1990).

Existing lab studies of these processes shares a common design from which this dissertation hopes to productively deviate. To observe an attitude shift under any of the consistency theories, behavior must be influenced in such a way that the experience deviates from and thus drives a shift in the pre-existing attitudes or perceptions. This has generally been achieved by constraining participant's behavior rather directly (Olson & Hafer, 1990). For instance, participants were randomly assigned to argue in support of a certain political position. The effect that the experience had on the participants' beliefs is interesting with regard to our psychological processes but only directly relevant in situations where we are told how to behave by an external agent. The negotiation context provides organic incentives for strategic rather than genuine behaviors. The biased sampling of conversation content demonstrated by Higgins is possibly intentional, but not strategic in the sense of trying to claim value. In negotiations, the strategic presentation of information is routine. Buyers and sellers commonly overstate their claims and selectively present information to attempt to influence the price the other will

accept. This context is a rich one for self-inference research because it induces participants to willfully shape their own behavior without instruction.

### **Malleability of outcome perceptions**

Even with strategic presentation and self-perception acting on negotiator's behavior and beliefs, the consequences may not be meaningful if the economic value of the outcome dominates post-negotiation appraisals. Previous research on negotiator cognition suggests that is unlikely to be the case (Curhan, Elfenbein, & Xu, 2006). In the negotiation domain, satisfaction with outcomes has been shown to be contingent on a number of other factors.

For example, Galinsky, Mussweiler, and Medvec (2002) tested the effect of coaching participants to focus on their target prices in a negotiation and found that those who were coached in this way were less satisfied with their outcomes than those who focused on their BATNA. This could be an informative result on its own, but the criticality of subjective value is highlighted by the fact that those coached participants had superior objective outcomes on average. Traditional prescriptive advice had been successful within the economic metrics, but participants reported that they were less well off as a result. Similar consequences have been discovered with respect to the cost of social comparison in outcomes. While full knowledge of the negotiation space and outcomes of others is assumed to inform negotiators and improve outcomes, Loewenstein, Thompson, and Bazerman (1989) found that satisfaction could be significantly reduced by introducing information about other's outcomes compared to those participants who knew only of their own outcome.

Perceptions of negotiation outcomes are not just curiously malleable, they are also important. One strong argument for the importance of the subjective value of outcomes over the economic outcome is that, when asked, negotiators consistently report that their subjective experiences are

important. By subjective value of outcomes, I am referring to a person's affective appraisal of their outcome. While the economic outcome of a negotiation is usually quantified in terms of dollars, the subjective outcome has been measured in terms of satisfaction, happiness, willingness to engage in similar negotiations again, etc. In many cases, subjective factors are reported first or as more important than the economic outcomes (Curhan, Elfenbein, & Kilduff, 2008; Curhan et al., 2006). Even more convincingly, negotiators behave in some situations as if they are maximizing subjective outcomes, especially with respect to social concerns, ahead of objective outcomes (for a review see Gelfand, Major, Raver, Nishii, & O'Brien, 2006). This becomes consequential for prescriptive researchers because subjective outcomes of one exchange have been shown to predict future outcomes. Favorable subjective outcomes in one negotiation are a stronger predictor of the chance of future negotiations happening and being successful than are objective outcomes (Drolet & Morris, 2000; Oliver, Balakrishnan, & Barry, 1994).

Given that negotiators have malleable perceptions of the objective economic outcomes they realize in negotiations, and that those perceptions are important in predicting future behaviors it is prudent for negotiation research to attend to these outcomes. This dissertation proposes that the strategic arguments made with the intention of influencing economic outcomes have an unintended effect on a negotiator's subjective outcomes.

### **Self Perception in Negotiation Theory**

This dissertation combines predictions from the three areas above to make a new prediction that engaging in strategic presentation of information during negotiation will degrade the perceived value of a negotiator's outcome given an agreement. It is likely that both value-oriented and alternatives-oriented argument types have effects on the perceived value of the outcome. Across the series of

studies reported here, both groups of argument types are considered in the early studies while value-oriented arguments become the focus in the later studies. As Study 3 will show, value-oriented arguments are more commonly used by lay negotiators and since the connection to value is more direct, this class of arguments presents a more direct test of the theorized relationship between the dramaturgical act and the subsequent perception of outcomes. For these reasons, the discussion will focus on value-oriented arguments except where the data speaks to the relevance of alternative-oriented arguments.

First, negotiators select and communicate a strategically favorable subset of information available in the environment to support their value-oriented arguments. If for example, a negotiator was hoping to bargain down the price of a home for sale, she might communicate to the seller the problems associated with the home's location and tax liabilities. Once the actor has engaged in the dramaturgical act of presenting a selected slice of the available information, self-perception processes engage to align her attitudes with this behavior. Self-perception in this process drives a pair of mediating mechanisms with similar predicted outcomes. On one hand, having emphasized the issues of location and taxes increases the perceived importance of those issues relative to the deemphasized dimensions (e.g. school district, and number of bedrooms) to the actor. At the same time, the specific attributes selected become more salient and memorable to the actor (Fishbein & Ajzen, 1975). When she later considers the features of this house among her set of options, the specific location and tax situation for the focal house will be easier to recall than other attributes that were not favorable to emphasize. Through these dual mediators of attribute salience and issue weight, I hypothesize that the buyer will now perceive less value in the good being considered. In this example case, the buyer now places more weight on the issues where the house is weak and is more aware of the attributes of the house that are imperfect. The mechanism by which this theory is hypothesized to act is illustrated in

Figure 1.

Sellers are predicted to experience a symmetrical effect wherein the act of promoting the value of their assets (making Other Value High arguments) drives them to focus on the strengths and high points while ignoring any flaws or unfavorable attributes. Inflating the salience of these positive aspects of the good is likely to drive an increased perception of its value. Unfortunately for sellers, increasing the perceived value of the good suggests a lower value of the experienced outcome because they must relinquish the good in exchange for any given compensation they managed to secure.

It is important to note that this theoretical process is not specific to the buyer role or even the buyer/seller context. All negotiations with a distributive component drive negotiators to seek out information and arguments that favor their perspective. For buyers, arguments that detract from the value of the resource are useful, but if internalized, a good of reduced value reduces the subjective value of their outcome. They now have more negative feelings about something they own if the deal is made. Sellers face a symmetric dilemma. Arguments that inflate the value of the resource are strategically useful to the seller, but upon completing the sale, they must reconcile the proceeds from the sale with a potentially inflated sacrifice. Giving up a good of higher perceived value reduces the value of the outcome for the seller as well.

This hypothesized decrease in subjective value from both the buyer and seller side of the interaction implies a joint problem. Given a positive economic bargaining zone, the two parties should be able to reach a mutually beneficial deal. If value-oriented arguments have driven the buyer to perceive a depressed value of the good while the seller has inflated their perception, the subjective bargaining zone will be smaller than the bargaining zone defined by the economic values. Self-perception in negotiation predicts that value-oriented arguments drive down the size of bargaining zones, reducing the value realized from agreements, and threatening increased rates of impasse.

Through this point in the discussion, I have described the effect of a negotiator's experience negotiating on his own beliefs and subsequent evaluation of the outcome. Of course, in dyadic negotiations there is an additional influence on the focal actor: the arguments made by his counterpart. Figure 2 compares these two models of influence. In the dyadic model, the dotted lines represent the traditional model of influence each party has on their counterpart. The valence of these effects is positive because negotiators strive to persuade their counterparts to believe they would be better off accepting a negotiated agreement rather than walking away. If the focal actor is a seller, his sales pitch is intended to have a positive effect on the buyer's perception of the value of the deal. The solid lines represent the hypothesized self-perception effects. The proposed studies in this dissertation are all of the monadic design to simplify detection and measurement of the novel effect. In future work, comparing the relative influence of the other- and self-influence effects will be of primary importance.

### **Overall Hypotheses**

To be precise about the predictions made in the above theoretical mechanism, I offer 6 testable hypotheses (also indicated in Figure 1).

**H1:** Negotiators select value-oriented arguments and utilize the subset of information supportive of these arguments to persuade their counterpart.

**H2:** Making value-oriented arguments increases the salience of those arguments and the relevant supporting information compared to the other information available in the environment.

**H3:** Making value-oriented arguments influences the relative weighting of attributes. Those attributes selected and communicated by the negotiator will subsequently be viewed as higher priority or more heavily weighted compared to those that were not selected.

**H4:** The increased salience of value-oriented argument-relevant information partially mediates the relationship between making value-oriented arguments and subjective value of the outcome.

**H5:** The increased weight of value-oriented argument-relevant attributes partially mediates the relationship between strategic information presentation and perceived value of the outcome.

**H6:** Making value-oriented arguments has a negative effect on the perceived value of the negotiated outcome.

## **Studies**

I present six studies that explored the hypothesized phenomenon in different ways to test for the existence of a self perception effect in negotiation and then to document the processes by which it acts. First, in a cross-sectional field survey of MBA graduates compares, I compare the satisfaction of graduates who chose to negotiate their offers to those who did not. Study 2 compares all four of the fundamental distributed argument types and the effect they have on customer satisfaction following a dispute with their service provider. Study 3 motivates the decision to focus on value-oriented arguments in the buyer-seller context by sampling unconstrained behavior in a familiar negotiation task by untrained participants. Study 4 provides a focused test of the effect of value-oriented arguments as used by buyers and sellers. Study 5 offers a strong test of the power of the effect by adding behavioral and longitudinal dependent variables. Finally, Study 6 exerts more control on the process of the negotiation to shed more light on the mechanism of the effect. Together, these studies represent the beginning of a research program that may grant valuable insights into the subjective costs of making persuasive arguments in negotiation.

### **Study 1: MBA Graduates and the Choice to Negotiate**

One of the more striking predictions that arises from the self-perception in negotiation theory is that negotiators may experience reduced satisfaction with their outcomes compared to actors arriving at the same deal without engaging in persuasive argumentation. If common distributive negotiation strategies depress the perceived value of outcomes, it could affect the advice we give negotiators on when it makes sense to initiate negotiation, which strategies to use after initiating, and the potential value in utilizing an agent in negotiations. To seek some initial evidence on this topic, I surveyed graduating MBA students and asked about their job offer negotiation experience.

#### **Methods**

*Sample.* Two hundred twenty-six members of the 2010 graduating class of the Tepper MBA program were contacted by e-mail. The e-mail described the study as a survey “examining how people feel about the process and outcomes of their [post-Tepper job offer] negotiations.” with compensation in the form of entry into a lottery for \$99. Fifty-one participants responded to the survey. I excluded a total of 12 participants because analysis of their data was not possible either because they had not received any job offers at the time of the survey ( $n = 6$ ), because they had not yet accepted an offer ( $n = 4$ ), or because they did not complete the survey ( $n = 2$ ). Thirty-nine participants remained.

*Items.* Participants answered a number of questions about their job offer and negotiation in a single on-line session. I assessed the strength of the participants' alternatives outside the negotiation with one item asking how many offers they had received. Participants estimated the relative value of their compensation package on a 0-100 scale in response to “Please estimate the value of your compensation package relative to other people in the U.S. with similar experience doing similar jobs.” Satisfaction with the outcome was measured on a 7 point scale from “Very Dissatisfied” to “Very Satisfied” in response to “How satisfied are you with the compensation package that you accepted?”

Finally, participants judged whether they became more or less happy with their offer in the time between when they received it and when they accepted it on a 7 point scale from “Much Less Satisfied” to “Much More Satisfied.” Full items and response scales are included in Appendix A.

## Results

Of the 39 participants that met the inclusion criteria, 23 (59%) had chosen to negotiate the terms of their compensation package.

Participants who negotiated ( $M = 1.78$ ,  $SD = 1.00$ ) did not differ from those who did not negotiate ( $M = 1.94$ ,  $SD = 1.12$ ) in the number of job offers received ( $t(30) = .44$ ,  $p = .66$ ). This suggests the groups did not differ significantly in the strength of their alternatives outside the focal negotiation. The groups also made similar estimates of the value of the compensation package relative to others in their field of work (negotiators:  $M = 63.96$ ,  $SD = 15.84$ ; non-negotiators:  $M = 68.25$ ,  $SD = 17.52$ ;  $t(30) = .78$ ,  $p = .44$ ). However, although the groups did not estimate their alternatives or the value of their offers to be different, participants who negotiated their offer reported that they were less satisfied ( $M = 5.00$ ,  $SD = 1.57$ ) with their compensation package than did those that chose not to negotiate ( $M = 5.88$ ,  $SD = 1.15$ ),  $t(37) = 2.01$ ,  $p = 0.05$ .

Participants judged how their satisfaction with their offer changed between the time they received it and the time they accepted it. For those participants who chose not to negotiate the offer, this time period is not meaningful, but for the negotiators, this time period contains the experience of negotiating the offer. Participants who had negotiated their job offers reported that they were “Somewhat more satisfied” ( $M = 0.96$ ) when they accepted their job offer (after negotiation) than they were when they first received it. Those who did not negotiate reported no change ( $M = -0.13$ ). The difference between groups is significant  $t(27) = 4.02$ ,  $p < .001$ . The negotiators' group mean is also

significantly above the midpoint of the scale (“No Change”)  $t(22) = 3.75, p = 0.001$ . This result suggests that participants who negotiated feel like the process of negotiating made them happier with their offer although they also reported being less happy than those who did not negotiate. This apparent contradiction may suggest that negotiators were not accurately introspecting on the effect negotiation had on their satisfaction.

### **Discussion**

The results from this study of negotiation outcome satisfaction are provocative and consistent with the proposed theory. Graduates who chose to negotiate their offers were less satisfied with their compensation even though they did not estimate it to be any better or worse than that of their peers. It is possible that the process of negotiating with their prospective employer changed the way they perceived the compensation in a detrimental fashion.

Of course, with a correlational study, it is impossible to make strong claims about the cause of this difference. For example, the data available on the graduates' compensation were not very detailed and it is possible the compensation packages varied across the groups, although the participants did not report significantly different perceptions of their offers. The largest concern is that the sample was not randomly assigned to the experience of negotiating their job offers. Those who choose to negotiate their offers may have had higher aspirations, more favorable appraisals of their own value to employers, or lower commitment to the employer relationship. Each of these possibilities introduces an alternative explanation that an unmeasured variable varied with both the decision to negotiate and satisfaction with their offer.

It is also possible that the difference between groups exists as a result of the negotiation experience, but that the difference is multiply-determined. My theory suggests that students chose

persuasive arguments that influenced their own beliefs about the value of the offer, but it is possible that other negotiation processes caused the difference. For instance, the lower satisfaction could be the result of a contrast effect between aspirations and outcomes (Galinsky, Mussweiler, & Medvec, 2002) or doubt about the possibility of claiming more value (Galinsky, Seiden, Kim, & Medvec, 2002). To address the concerns and better test the hypothesized theory, I present data from a lab study in which the process of negotiating can be more directly linked to subsequent satisfaction.

### **Study 2: Argument Types and Satisfaction in a Consumer Dispute**

To test the theory that the process of making persuasive arguments in a negotiation can affect satisfaction of the outcome, I randomly assigned participants in Study 2 into conditions that differed with respect to the experience of making a persuasive argument and the types of arguments made.

#### **Methods**

*Participants.* I recruited participants from Amazon's mechanical turk and an on-line participant pool maintained by the Center for Behavioral Decision Making to complete the study via an online survey. Participants received compensation in the form of entry into a raffle with a 1 in 50 chance of winning a \$30 Amazon.com gift card.

*Procedure.* Participants read a scenario (see Appendix B) describing their relationship with a fictional mobile phone service provider. The scenario included information about the length and status of their time as a customer. There were also details on three attributes (phone quality, signal quality, customer service) of the service with one positive and one negative fact provided on each attribute. The conflict presented in the scenario concerned a higher than normal bill. It explained that they were surprised to learn their monthly bill was \$95 instead of the normal \$55 due to additional charges for roaming that they didn't fully understand.

All participants read that they had chosen to contact the company to request that the additional fees be waived. In all conditions, the first line of the communication was provided for them,

*Dear XYZ Wireless, Please consider revising my most recent bill by removing the \$40 in additional charges.*

Additional instructions varied across six conditions: No Argument, Free Argument, and four Coached Argument conditions corresponding to the four argument types.

In the no-argument condition, participants did not have the opportunity to add anything to the provided statement.

In the Free Argument condition, participants read:

*Take a few minutes to write a persuasive letter to accompany this request. The letter can be as long as you want to communicate why you think the company should waive the fees.*

In four additional conditions, participants received the free-argument instructions as well as advice on the type of argument to use in their letter. In each of these conditions, the advice followed the statement,

*Try using the following strategy recommended by experts for this kind of situation:*

The first two coached conditions instructed participants to use strategies influencing their counterpart's perception of the value of the status quo, either suggesting the current value was low to themselves or that it was high to the company. The second pair of coached conditions concerned the strength of the each party's alternatives, either suggesting that their alternatives were strong, or that the company's alternatives were weak. These conditions were operationalized with the following lines of advice:

Condition	Instruction Manipulation
-----------	--------------------------

Own Value Low	“Emphasize the parts of their service you are dissatisfied with and that it would help if they granted your request in this situation.”
Other Value High	“Emphasize how valuable you are as a customer and that they should be happy to grant your request in this situation.”
Own BATNA Strong	“Emphasize how many other good choices you have for cellular phone service and that you are willing to switch providers.”
Other BATNA Weak	“Emphasize how costly it could be for them to lose you as a customer.”

After sending their request to the company participants completed items measuring their satisfaction with the company in general, and with the specific attributes of the service (see Appendix B for full items). Additional items tested their recall of the specific attributes in the scenario, how important each attribute of the service was, and how they felt about making the request.

Participants in all conditions then received a response from the company that indicated that \$20 of the \$40 in additional fees would be waived.

Participants then completed a final set of items measuring their satisfaction with the company's response, repeated items concerning their satisfaction with the company and the attributes of service, and demographics.

## Results

**Sample.** 359 participants completed the study. I excluded participants from the analyses if they read the 300 word scenario in fewer than 10 seconds ( $n = 24$ ), participated more than once as determined by duplicate e-mail address ( $n = 6$ ), or for those in an argument condition, if they failed to write an argument ( $n = 13$ ). After these exclusions (some of which were redundant), 325 participants remained. Of these participants, 36% were male, the mean age was 38.0 years ( $SD = 13.99$ ), and 48 US states were represented.

**General satisfaction.** General Satisfaction with the company was measured on a five item scale including items on satisfaction, favorableness, likelihood to recommend, likelihood to renew, and trust (see Appendix B). Items had high inter-item reliability (Cronbach's  $\alpha = 0.92$ ) so were standardized and collapsed into a single measure. Figure 3 illustrates the satisfaction by condition.

A one-way ANOVA showed that the effect of condition on general satisfaction was significant,  $F(5,282) = 2.26, p = .049$  (see Figure 4). Participants who were advised to write an argument about the high value experienced by their counterpart were significantly more satisfied with the company after writing their argument ( $M = .33, SD = .70$ ) than were participants who wrote no argument ( $M = -.07, SD = .88$ ), or were coached to write about the low value they were facing ( $M = -0.16, SD = .72$ ). Both comparisons were significant using Bonferroni adjusted alpha levels of .007 (.05 / 7) appropriate for the seven relevant pairwise comparisons (all  $t > 2.9, p < .005$ ). These results indicate that making an argument based on the high value being accrued by the other party causes negotiators to be more satisfied with the current state of the exchange relationship.

Planned contrasts revealed additional significant differences based on the focal party emphasized in the argument conditions. Participants in the Own Value Low and Own BATNA Strong conditions ( $M = -.14, SD = .85$ ) were significantly less satisfied with the company than those in the Other Value High and Other BATNA Weak conditions ( $M = .28, SD = .78$ ),  $F(1,286) = 8.65, p = .004$ . These results suggest that in this case, making arguments about one's own situation resulted in lower satisfaction compared to those strategies that focused on the counterpart.

## Discussion

The results of Study 3 support the hypothesis that the type of persuasive arguments made in

negotiation can influence a negotiator's own satisfaction with the outcome. The results are consistent with the theory that the use of value-oriented arguments drive changes in satisfaction with the outcome. In this case, participants in the Other Value High experienced significantly higher subjective outcomes than their counterparts who did not have that experience.

Interpreting the positive effect of using Other Value High arguments (which drive most of the differences in the results) is difficult because of nature of the customer-business relationship in this scenario. Negotiators making Other Value High arguments likely focused on their own positive attributes. Because a successful resolution of the dispute meant an ongoing relationship, the high value experienced by the company was the continued patronage of the negotiator. Thus, it is likely that the high subjective evaluations of the outcome are related to the positive descriptions of the negotiator herself. The proposed Study 4 addresses this issue by changing the context of the negotiation to a buyer-seller relationship.

### **Study 3: Argument Types in Natural Negotiations**

Study 3 explores the prevalence of strategic negotiation styles among novice negotiators in a simple buyer-seller context. My theory led me to predict that arguments focusing on value would be more commonly used than arguments about alternatives among untrained negotiators. Furthermore, I expected that buyers would be more likely to make arguments focusing on their own low value as compared to sellers who would be more likely to use arguments about their counterpart's high value.

#### **Methods**

*Sample.* Participants were 46 individuals recruited from a busy city street to participate in a 30 minute experiment for average compensation of \$7. Experimental sessions were run in groups of either six or eight participants as determined by the rate of volunteers. Four participants were paid and

dismissed before completing the experiment after it became clear they would not be able to operate a laptop computer as required by the experiment.

**Procedure.** The experimental task was to negotiate the sale of a bundle of goods with another participant via a computer mediated text chat program. Participants sat at networked laptop computers divided by partitions. I randomly assigned each participant to the role of Buyer or Seller and paired them with a participant in the opposite role. Participants knew that they had been randomly paired with another participant in the room, but did not know that person's identity. The experimenters did not allow participants to communicate anything that would reveal their identity during the experiment.

I endowed participants in the role of Seller with a bundle of goods. The bundle consisted of a deck of playing cards, a highlighter, a bag of M&Ms, two AA batteries, and a disposable lighter. Participants in both roles inspected the contents of the bundle. The composition of the the focal good was intentionally diverse to facilitate a more complex and varied selection of positive and negative properties for buyers and sellers to use as compelling arguments in the negotiation.

I endowed buyers with \$5 in cash. All participants read that if no agreement was reached in the negotiation, they would leave the experiment with their endowment. Participants could earn an agreement bonus of \$1 per person to help ensure a positive bargaining zone existed. Participants carried out their negotiated outcomes as agreed by exchanging their goods or cash according to the terms of the deal. I imposed a ten minutes time limit on negotiations although there was generally enough time to finish the negotiation without time pressure.

## **Results**

I coded transcripts of the negotiations while blind to condition to determine the types of arguments made by each participant. The mean number of statements made by participants was 11.7 ( $SD = 7.0$ ), and there was no significant difference in the number of statements made by role in the

negotiation (paired  $t(22) = 1.27, p = .22$ ). Because of the natural form of dyadic dialog, unitizing on each statement sent was not appropriate for judgments of argument type, so I evaluated each participant's argument holistically. For each participant, I made binary judgments regarding whether the participant made an argument of each of the four basic distributive types identified previously. Results are presented in Table 1.

Table 1. Number of negotiators making arguments of each types by role

	<b>Own Value Low</b>	<b>Other Value High</b>	<b>Own BATNA Strong</b>	<b>Other BATNA Weak</b>
Buyer	15 (65%)	4 (17%)	3 (13%)	1 (4%)
Seller	1 (4%)	16 (70%)	3 (13%)	4 (17%)

First, Participants made significantly more arguments concerning the value in the negotiation ( $n = 36$ ) than about the alternatives ( $n = 11$ ),  $\chi^2(1) = 13.3, p < .001$ . While there was no difference in the use of own vs other regarding BATNA based arguments by role ( $\chi^2(1) = .16, p = .69$ ), the type of value argument used by participants was strongly associated with role as expected ( $\chi^2(1) = 16.6, p < .0001$ ). Buyers were most likely to make arguments to the effect that the goods were not valuable to them while sellers strove to be persuasive that their counterparts the buyers would find great value in completing the deal. A sample of exemplary excerpts from each cell in Table 1 is compiled in Appendix C.

### **Discussion**

This analysis of the natural frequency of the fundamental distributive argument types confirms what may be intuitive about the most common strategies in distributive negotiation. Buyers focus on

justifying a lower price by asserting that the goods being offered are not valuable to them. Sellers spend most of their time singing the praises of their goods by pointing out the value to their counterpart. The relative infrequency of arguments based on alternatives outside the present negotiation is reflective of the novice status of the sample. Negotiation education focuses heavily on the importance of alternatives because it is underrepresented in the naïve conception of negotiation.

The evidence through the first three studies is supportive of the self perception in negotiation theory that the use of value-oriented arguments negatively affect negotiator's own perception of the value of their outcomes. Study 1 is consistent with the hypothesis that engaging in negotiation may have the perverse effect of reducing satisfaction with outcomes, but can not rule out alternative explanations because of its correlational design. Study 2 shows experimentally that the type of argument negotiators make drives differences in satisfaction with the outcome, but is difficult to compare directly to the buyer-seller model the theory focuses on. Finally, Study 3 establishes that value-oriented arguments are more commonly used by novice negotiators than alternatives-oriented arguments, and that there are strong patterns within those categories determined by the buyer-seller role.

The three subsequent studies focus specifically on the core theoretical area of value-oriented arguments made by buyers and sellers while exerting tighter experimental control over the arguments participants make in order to draw more direct conclusions about the effect these arguments have of subsequent subjective outcomes.

#### **Study 4: Argument Types in Buyer-Seller Context**

Study 2 provided evidence that the arguments made by a negotiator can influence his or her own perceptions of the outcome while Study 3 emphasized how important value-oriented arguments are due to their frequent use. Buyers making Own Value Low arguments and sellers countering with Other Value High arguments are not only the most commonly used strategies in Study 2, they are also

the most likely to drive diminished perceptions of outcome satisfaction according to self perception in negotiation theory. Study 4 adapts the design used in Study 2 to a buyer-seller scenario while focusing only on the value-oriented argument types. By using a buyer-seller context in this study, I am able to make clean inferences about the effect of arguments made about the product and the subjective value associated with it.

### **Methods**

*Sample.* 236 participants from two different online samples (primarily Amazon's Mechanical Turk) volunteered to participate in the study, described as a “Car Negotiation Study.” The solicitation described the study as lasting 10-15 minutes and offered compensation in the form of entry into a lottery with a 1:50 chance of winning a \$25 Amazon.com gift card. I excluded a number of participants from the analysis because they skipped past instructions or did not complete the written component of the study. Specific exclusion criteria were: completing the entire study in less than 1 minute (n=1), spending fewer than 10 seconds reading the scenario (n=7), for those assigned to the “argument” condition, writing an argument of fewer than 10 characters (n=1). Because these rules were not mutually exclusive, I excluded 8 participants in total, leaving a final sample size of 228.

Forty-nine percent of participants were male, and ages ranged from 19-75 (median = 34). Participants indicated currently living in 41 different U.S. states. Ninety-one percent of participants indicated that their native language was English. Eighty-six percent of participants reported that they had been the primary party responsible for buying a car in the past.

*Task.* Participants read a scenario describing their role as either the buyer or seller in a used car negotiation (see Appendix D for full details). The scenario included four pictures of the car for sale and a 60 word description. Both the pictures and description were taken from an actual craigslist posting. After reading the ad, all participants were instructed to send a request to their counterpart

requesting a concession on the sale price with variations in instruction by condition. While waiting for a response to their request, participants completed items assessing their ability to recall the car's attributes (Attribute Salience), the importance of different attributes of the car (Attribute Weight), their subjective evaluation of the car (5 items), and their reservation price, in that order. Attribute Salience and Attribute Weight were assessed with one open ended question followed by six items concerning specific attributes, randomly ordered.

All participants then received a response from their fictitious counterpart offering a concession equal to half of the bargaining zone on the only issue: price. Participants rated the fairness of the counterpart's response as well as their satisfaction, and then decided whether to accept or reject the hypothetical offer. A set of demographic items concluded the study.

**Manipulation.** I randomly assigned participants to one of four conditions in a 2 (role: buyer vs. seller) X 2 (argument: none vs coached value-oriented argument) design. Role conditions differed only with respect to the symmetric role-specific phrasing and target prices. All participants used the same message to request a concession from their counterpart. In the “no argument” condition participants sent only that message, while in the “coached value-oriented argument” condition, participants read:

*Take a few minutes now to write a persuasive letter to accompany this request. The letter can be as long as you want to communicate why you think the [seller / buyer] should [lower the price /pay the full price] .*

In addition to this instruction, I gave participants in the argument condition advice to employ value-oriented strategies:

*Emphasize why you think the car is [not] valuable enough to justify the asking price.*

## **Results**

**Subjective Value.** The subjective value participants perceived the car to have was measured

with a 5 item scale including items on attractiveness, likelihood to show off to friends, and role-specific items such as desire to buy. Items had high inter-item reliability (Cronbach's  $\alpha = 0.86$ ) so were standardized and collapsed into a single measure. A two-way analysis of variance revealed that the main effect of role was significant  $F(1, 208) = 22.07, p < .001$ , such that sellers reported higher subjective value ( $M = .25, SD = .66$ ) than did buyers ( $M = -.25, SD = .87$ ). The main effect of argument condition was not significant,  $F(1, 208) = .25, p > .05$ , however the interaction was marginally significant,  $F(1, 208) = 3.25, p = .073$ , indicating that the difference between buyers and sellers may be more extreme when participants write an argument (see Figure 5).

**Reservation Price.** A two-way analysis of variance yielded a similar pattern to the subjective value measure with a significant main effect of role condition  $F(1, 208) = 49.51, p < .001$ , with sellers willing to accept higher prices ( $M = \$2314, SD = 141$ ) than buyers ( $M = \$2179, SD = 145$ ). Again, there was no effect of argument condition  $F(1,208) = .811, p > .05$ , but the role by argument condition interaction was significant  $F(1,208) = 11.78, p = .001$ , indicating that the difference in reservation prices is made more extreme by the experience of writing an argument (see Figure 6).

**Reaction to Offer.** Participants' feelings about the offer made to them by their counterpart were elicited on a two item subjective scale including fairness and satisfaction. The scale had high inter-item reliability (Cronbach's  $\alpha = 0.89$ ) so the items were standardized and collapsed into a single measure. A two-way analysis of variance revealed that participants in the argument condition rated their counterpart's response more negatively ( $M = -.27, SD = .98$ ) than those who did not write an argument ( $M = .25, SD = .84$ ),  $F(1,208) = 17.45, p < .001$ . There was no effect of role  $F(1, 208) = .57, p > .05$ , nor was the interaction significant  $F(1, 208) = .001, p > .05$ . These results are consistent with the subjective value and reservation price results because perceptions of the transaction are directly comparable across roles while perceptions of the product should be interpreted oppositely for buyers

and sellers.

***Decision to Accept the Offer.*** Participants made a binary decision to accept or reject the counter-offer they received. Independent tests of the experimental conditions revealed that role does not affect the decision to accept the offer  $X^2(1, N = 212) = 1.83, p > .05$ , but that there was a difference between the argument conditions  $X^2(1, N = 212) = 14.87, p < .001$ . While 76% of participants in the no argument condition accepted the counter offer, only 51% of participants who had made an argument did so. A logistic regression model predicting the decision to accept the counter-offer including both factors simultaneously mirrors the subjective reaction results. Participants in the argument condition are less likely to accept  $B = -.256, SE = .09, p = .005$ , but neither the role condition  $B = -.09, SE = .09, p > .05$  nor the interaction are significant all  $B = -.02, SE = .12, p > .05$ .

***Relative Word Frequency.*** One way to quantify the process by which the argument manipulation created differences across the range of outcome measures is to compare the distribution of word frequencies between conditions and between participants. To summarize the difference in word use between roles, I generated a count of each word in the full corpus of text compiled from arguments written by both roles. The relative frequency difference is the difference in occurrences of a specific word in each condition, divided by the total number of occurrences of that word across conditions. Because word frequencies typically follow a power law distribution, it is important to standardize comparisons at the word level in this way.

A qualitative analysis of relative word frequency quickly reveals meaningful patterns in the words chosen by each group. For example, the word “bumper” is clearly associated with a fact from the scenario concerning damage to the car, and of all uses were by buyers. Other words favored by buyers included “age”, “miles”, “mileage”. At the other end of the spectrum, sellers were more likely to use the words referring to the accessories included with the car including “cover”, “chains”, and

“stereo”.

**Argument Value.** Differences in word frequency tell the specific story of how arguments were made by participants in each role, but it remains subjective to draw an overall pattern or conclusion from the differences. An improved analysis would evaluate each argument in total and assign a single score representing the net positive or negative value implied by the statements in the argument. For example, an argument which highlights each of the cars flaws point by point and never mentions its qualities could be summarized as being highly negative whereas an argument which touched on both positive and negative features would earn a score closer to zero.

In order to quantify the subjective value represented by each piece of information in the scenario, I surveyed an additional sample on that question alone. I recruited 30 participants from Amazon's mechanical turk to rate each chunk of information in the scenario. Specifically, I broke the facts from the scenario down into the 24 chunks which could be interpreted independently (e.g. “186,000 miles”, “includes car cover”, “Make: Mercedes”). Participants answered the question, “Imagine you are reading an ad for a used car which is for sale. How would each of these pieces of information affect your opinion of how valuable the car is compared to an average car without that feature?” and indicated a value for each feature on a 5 point scale anchored by “Much Less Valuable” and “Much More Valuable.” The order of attributes was randomized for each participant. I coded responses on the subjective value scale from -2 to 2 resulting in mean evaluations ranging from 1.47 for “never crashed” to 0.13 for “looks new from 5-10 feet” to -0.76 for “cracked bumper.” Participants judged the listed attributes of the car to be positive on average ( $M = .53$ ,  $SD = .65$ ).

Next, I generated a list of words found in the corpus of text from participants' arguments that clearly correspond to the rated attributes. For example “186,000”, “186k”, “miles”, and “mileage” all mapped to the rated attribute “186,000 Miles.” With this mapping of observed words to rated attributes,

I calculated a sum of the value associated with topics mentioned in each participant's argument. I counted each topic only once per argument, so if the “186,000” and “miles” were both found in a participant's argument the attribute “186,000 Miles” was only included once in the sum. By combining the word frequency with the values associated with each word, I was able to summarize the value implied by the argument to a single value which I refer to as argument value (see Figure 7).

Among the subset of participants in the argument condition ( $n = 107$ ), argument value varied significantly between role conditions  $t(107) = 7.90, p < .001$  with Sellers arguments being quite positive ( $M = 5.70, SD = 4.96$ ) while buyers were, on average neutral in the topics they mentioned ( $M = -.01, SD = 1.96$ ).

When modeled as a predictor of outcomes, argument value is generally a strong predictor when modeled alone, but not significant when role condition is also included. For example, in linear model predicting reservation price by argument value, the estimated coefficient on argument value is 8.01,  $SE = 2.93, p = .007$ , suggesting that each net positive topic mentioned increases a participants reservation price by \$8. The effect of argument value does not, however, explain variance above and beyond role in this case as its coefficient drops to .840,  $SE = 2.93, p = .78$ .

**Argument Typicality.** Another approach to capturing the variance within roles and drawing a more direct connection to the process of making persuasive arguments is to measure how typical a specific argument is to arguments of that role. Given the striking difference in word frequency distribution between roles, it is possible to construct expected frequencies (total observations in that role divided by the number of participants in that role) of each word for each role. I construct an argument typicality score for each individual's argument by correlating the word frequency in their argument with the expected frequency.

There is a marginally significant difference in argument typicality by role condition  $t(107) =$

1.73,  $p = .087$  wherein sellers ( $M = .54$ ,  $SD = .15$ ) tended to be slightly more correlated with the expected word frequencies for their role than were buyers ( $M = .48$ ,  $SD = .19$ ).

Argument typicality does explain variance in outcomes beyond that of role condition giving further credence to the explanation that is the content of the arguments made by participants that affects their beliefs about the product. A linear model predicting reservation price by the role condition X argument typicality interaction results in all three terms being significant,  $B_{\text{seller}} = 75.43$ ,  $SE = 25.53$ ,  $p = .003$ ;  $B_{\text{typicality}} = -147.49$ ,  $SE = 49.72$ ,  $p = .003$ ;  $B_{\text{seller} \times \text{typicality}} = 243.34$ ,  $SE = 68.02$ ,  $p < .001$ . This result suggests that sellers had higher reservation prices on average as we saw before, but that the typicality of a participants' argument for his or her role is associated with lower reservation prices, especially for buyers. This pattern of results is effectively identical when using the composite of subjective value ratings as the dependent measure.

### **Discussion**

The results of study 4 were very supportive of self perception in negotiation theory as well as providing some evidence of the mechanism by which it works. All participants considered the situation of conducting a sale (either buying or selling) of a used car with attributes of mixed value and requested a better price from their counterpart's opening offer. All participants received a concession from their counterpart to the mid-point of the bargaining zone. Participants who had the opportunity and the experience of supporting their request with a persuasive value-oriented argument subsequently reported reservation prices that made a deal less likely, reported more extreme subjective evaluations of the car, and were less likely to agree to their counterpart's offer.

Analysis of the text composed by participants in the argument condition revealed that buyers and sellers made arguments using facts from the scenario that supported the value assessment they hoped their counterpart would adopt. Sellers highlighted the positive attributes of the car while buyers

touched on both positive and negative attributes. The outcomes participants experienced were systematically related to the degree to which they exemplified these role-specific approaches. Buyers who wrote arguments that were very typical of their role had significantly lower opinions of the value of the car, and were willing to pay much less for it than buyers who were less committed to their strategic approach.

### **Study 5: Longitudinal Value Elicitation**

Study 5 is designed to test the self-perception in negotiation theory in two ways not offered by the previous experimental studies. First, this study adds a behavioral dependent measure of value to complement the scenario-based studies presented thus far. The focal product in this study is a downloadable e-book for use with Amazon's Kindle reading device. To measure participants' revealed value for the book, I track whether participants bother to return to the website and download their copy of the book after the conclusion of the study. Participants who value the book more highly will be more likely to make the effort to return to the site and download the book in a similar fashion to the classic study in which experimenters checked to see a poster from a study had been hung on dorm room walls (Nisbett & Wilson, 1977).

Second, one concern with my theory is that the effect of the negotiation experience will influence short-term responses, but longer term satisfaction will be less malleable and potentially not impacted by the experience of making a value-oriented argument. By measuring evaluations of the product at the end of the study but then implementing the behavioral measure days later, I can speak to the lasting effect that the negotiation experience has on participants.

### **Methods**

*Sample.* 295 participants responded to solicitations on four Kindle oriented websites (reddit.com/r/kindle, n = 183; mobileread.com, n = 63; kindleboards.com, n = 41; kindlefireforum.com,

n=2). The solicitation simply described the study as one needing a population of current Kindle users to participate. Participants received compensation in the form of entry into a raffle for the newest generation of Kindle (a \$99 value). The solicitation stated that, “Some participants will also receive an e-book from Amazon depending on their decisions during the study” although in reality all participants who completed the study were given the opportunity to download the e-book (a \$3 value).

I excluded participants from the analyses if they owned or had already read the book ( $n = 21$ ), or if they exited the study before the end of the initial session because that made it impossible for them to claim their copy of the book ( $n = 38$ ). There were not generally instances in this population of participants failing to spend time with materials or tasks. Exclusion criteria in this case were non-overlapping, so I excluded 59 participants in total, leaving a sample of 236.

In this sample, 77% of participants were male and reported ages ranged from 18 to 92 with a median of 30 ( $SD = 12.91$ ). Seventy-six percent of participants were U.S. Residents hailing from 39 states, while 23% of participants reported living in other countries. Eighty-four percent of participants reported that English was their native language.

**Task.** Participants read a scenario the asked them to consider a situation in which they were shopping for new reading material for their Kindle. In the scenario (see Appendix E for full details), a market exists where individuals can buy and sell legitimate e-books between private parties. In this context, participants considered a specific book for sale by a seller in the fictional market: *Mile 81* by Stephen King. The instructions asked them to thoroughly review the information provided which included basic information such as publication date and length, a summary of the book, an editorial review, and ten user reviews. All of the information was accurate and taken from Amazon.com's actual sales page for the book. The user reviews selected for inclusion in the summary included two reviews at each of the five “star” levels presented in random order for each participant.

After reviewing the details of the book, the scenario described the possibility of negotiating for a lower price. Similar to the used car negotiation in study 4, all participants had instructions to request a lower price for the product from the seller. The instructions specified that if the seller agreed to their request for a lower price, they would be able to download the actual book after the study was completed.

After making the request, participants answered an array of questions about the book. The first block of questions concerned participants' use of the information about the the book. Participants indicated how useful they found each category of information about the book, whether they recalled the publication date, estimated the average number of stars given in the user reviews, and evaluated the valence of the editorial review. Participants indicated the subjective value they saw in the book on six items, each with 7 points ranging from positive to negative on dimensions including boring – entertaining, expected quality compared to other Stephen King books, whether they expected to share the book with friends, and how soon they planned to read it if their offer was accepted. Four items assessed participants' general feelings towards the genre and the author, and whether they were already familiar with the specific book. Finally, participants completed demographic items, and all participants received the news that their request for a lower price had been accepted by the seller.

The final message in the first session of the study explained,

*Congratulations, the seller has accepted your offer, and you will be able to download your own copy of Mile 81 to read on your Kindle. We must wait for this phase of the study to be complete before distributing the books, so please wait until [4 days from the present] .*

Each participant received a personalized link that would give them access to download the book after exactly four days. All visits to the link were recorded and timestamped.

All participants who visited the site to request their copy of the book after their waiting period

had passed (time 2) indicated whether they were willing to be contacted for a follow-up and received a copy of the book through Amazon.com within 24 hours.

If a participant requested the book and opted in to future communication, I contacted them by e-mail two weeks later (time 3) to complete a short final survey concerning their experience with the book. Participants indicated whether they had downloaded the book, and if so, whether they had read it. If they had read it, they completed a four item scale of subjective value similar to the time 1 items but framed in the past-tense. If they had not read the book yet, they indicated whether they planned to do so in the next month.

**Manipulation.** I randomly assigned participants to one of two argument conditions: no argument, or coached value-oriented argument similar to the argument conditions in Study 4. All participants used the same text given to them to request a lower price, *“Dear BookSeller234, I am interested in the book you have for sale, but I would prefer to pay less. I would only be willing to buy the book for \$3.00. Please consider this price and let me know if we have a deal .”* In the no argument condition, participants sent only this text, while those in the argument condition received the additional opportunity to supplement the request with a persuasive argument. Just as in Study 4, I advised participants in the argument condition to use a value-oriented approach.

## Results

**Perceptions of Information.** Two items assessed participants' perceptions of the information they had been presented about the product. The two items were not highly correlated  $r = .27$ , so they were analyzed separately. Participants in the argument group did estimate lower average user reviews of the book ( $M = 3.27$ ) than did participants in the no argument group ( $M = 3.37$ ), but this difference was not significant  $t(208) = 1.23, p = .219$ . There was also no significant difference between groups in

perceptions of the positivity of the editorial review  $t(209) = .135, p = .893$ .

**Subjective Value.** The six items assessing participants' subjective value for the product exhibited acceptable inter-item reliability (Cronbach's  $\alpha = 0.74$ ) and were standardized and collapsed into a single measure. Subjective value ratings of the book did not vary by argument condition  $t(228) = .235, p = .81$ .

**Requests to Download Book (Time 2).** Overall, 95 participants (39%) visited their personalized link after waiting the required four days to request a copy of the e-book. The rate of requests was marginally significant between argument conditions  $X^2(1, N = 236) = 3.17, p = .075$ , but the difference was opposite of the predicted direction such that 43% of those in the argument condition requested the book while only 31% of those in the no argument condition did so.

**Post-request behaviors (Time 3).** Of the 95 participants who requested their copy of the book, 71 (75%) opted-in to being contacted for a follow-up survey. When contacted two weeks later, 61 participants completed the survey (81%). Of this sample, 50 (82%) had downloaded the book to their Kindle, but only 13 (21%) reported that they had read or started to read the book at that time. Given the small size of this subsample, I determined that analysis of the subjective ratings of the book by condition would not be reliable. The likelihood of downloading the book was not related to argument condition in this sample  $X^2(1, N = 61) = .034, p = .854$ .

## Discussion

The argument manipulation did not result in the predicted differences in subjective ratings of the book, or behavioral differences in requesting a copy of the book after the fact. This was somewhat surprising given the strength of the results found in study 4, but is likely to be related to specific decisions made in the design of this study. Specifically, because the argument condition (median completion time = 12.6 minutes) required more effort for participants than did the no argument

condition (median completion time = 8.4 minutes), it is possible that attrition in the argument condition affected the results. The behavioral dependent variable is particularly vulnerable to this type of sample bias because it was a measure of a related construct: exerting the effort to return to request the book. If participants who were more enthusiastic about participation or about the *Mile 81* were less likely to drop out, and thus over-represented in the argument condition, I would expect reduced or reversed subjective ratings and behavioral outcomes compared to my theoretical hypotheses.

Participants in the argument condition of the final sample did spend longer (median = 142 seconds) reviewing the details of the book than those in the no argument condition (median = 134 seconds), but this difference was not significant  $t(236) = .719, p = .473$ . Differences in the number of clicks to reveal information about the book and time spent in the study leading up to the manipulation are similarly supportive of the idea that those in the argument condition were working harder even before the manipulation, but again the differences do not reach statistical significance.

Another explanation of the outcome of study 5 is that the experience of writing an argument in support of the request increased participant's engagement with the study and desire to find out more about the book whether the expectations were positive or negative. I did not however anticipate this concern and did not collect any variables that suitably address it.

### **Study 6: Argument Selection and Mediation**

Study 6 aims to provide more direct evidence of the process by which argument use affects the salience and perceived importance of information. In the studies reported thus far, the free response format of the arguments limits the precision with which argument use can be used analytically because the negotiation process has to be extracted through word frequency and content coding. In Study 6, the goal is to use a new paradigm which allows tighter control on the content of the negotiation argument by pre-selecting a set of literal arguments for participants to use. By measuring and manipulating

which arguments participants use and their subsequent satisfaction, I can demonstrate more directly the hypothesized mechanism.

A second goal in this design is to compare the effect of making an argument to that of being made aware of it. A purely informational account of my theory would suggest that the process of generating persuasive arguments drives information search which brings specific information to light and makes it salient, affecting perceptions. The consistency theory perspective would argue that attitude and belief change are the result of engaging in a behavior that creates the attitude-behavior gap and shifts beliefs. The design of study 6 allows a direct comparison between the information exposure and behavior explanations.

## **Methods**

*Sample.* 194 participants responded to a solicitation on one of three sites (Amazon's mechanical turk,  $n = 91$ ; consumerbehaviorlab.com,  $n = 85$ ; Center for Behavior Decision Making online pool,  $n = 18$ ). The ad described the study as a “Car Negotiation Study” lasting 10-15 minutes and offering compensation in the form of entry into a lottery with a 1:50 chance of winning a \$25 Amazon.com gift card. Participants were excluded from the analyses if they completed the entire study in less than one minute ( $n = 1$ ), read the scenario in fewer than 10 seconds ( $n = 14$ ), or for those in the argument condition, spent less than 15 seconds composing their argument ( $n = 1$ ), or submitted an argument of fewer than 10 characters ( $n = 3$ ). Because these criteria were not mutually exclusive, the total number of excluded participants was 17 leaving a final sample of 177.

Forty-nine percent of participants were male, and ages ranged from 19 to 74 (median = 31). Participants reported currently residing in 38 U.S. States and 93% reported that English was their first

language. 69% of participants reported that they had experience buying a car.

**Task.** The task in study 6 replicates the car negotiation scenario used in study 4, except that all participants were in the role of the buyer. Participants read the ad for the used car, submitted a request for a lower price, completed items about their recall of the car's attributes, the importance they place on each of those attributes, and subjective evaluation of the car, received a counter-offer which conceded half of the bargaining zone, decided whether to accept that offer, and finally completed demographic information.

**Manipulation.** I randomly assigned participants to one of 3 argument-type conditions: no argument, selected argument, or argument exposure. The no argument condition was identical to that of study 4; participants sent the request for a more favorable price but did not accompany it with any supporting arguments (see Appendix F for full details). In the selected argument condition, participants read a list of six pre-composed one-sentence arguments of the own-value-low type and were instructed to type a letter by copying as many of the pre-composed arguments as they wished in order to persuade the seller to accept their offer. In the argument exposure condition, participants read the same list of arguments available in the selected argument condition, but did not have the opportunity to send these with their request. Instead they read, "*While you wait, read these arguments made by buyers in a different version of the study.*" This design allows me to compare the effect of making own-value-low arguments as compared to just being aware of that information.

## Results

**Subjective Value.** The 5-item scale of subjective value was the same one used in study 4, and again the inter-item reliability was high (Cronbach's  $\alpha = 0.92$ ), so the items were standardized and

collapsed into a single measure. An analysis of variance revealed no significant differences in participants' assessment of the car's subjective value by argument condition  $F(2,164) = .254, p = .776$ .

**Reservation Price.** An analysis of variance revealed that reservation price did not differ significantly by argument condition either  $F(2,160) = .741, p = .478$ .

**Reaction to Offer.** The 2-item scale assessing participant's reaction to the counter-offer was the same as used in study 4, and again, inter-item reliability was high (Cronbach's  $\alpha = 0.80$ ), so items were standardized and collapsed. An analysis of variance revealed no significant differences by condition. Participants' reactions to the counter offer did not vary significantly by argument condition  $F(2,161) = .765, p = .467$ .

**Decision to Accept Offer.** The likelihood of accepting the counter-offer did vary in the predicted direction with those in the argument and argument-exposure conditions each accepting 38% of the time while the no argument condition accepted 51% of the time, but this difference was not significantly different  $X^2(2, N = 164) = 2.64, p = .268$ .

**Argument use.** Participants in the argument condition did not have complete freedom to write their own argument in support of a lower price, but they did make choices from the list of pre-composed arguments. Because the experiment required participants to use the pre-composed arguments verbatim, arguments were simply characterized as including or not including each of the 6 possible arguments. Participants used 2.44 of the 6 arguments on average ( $SD = 1.3$ ), with the argument concerning the car's mileage being most popular (71% of participants) and arguments about the car's safety and age being least frequently used (25%).

**Salience of Attributes.** I assessed the salience of the car's attributes as described in the scenario

through open-ended recall items. For example, the item “Approximately how many miles does the car have on it?” corresponds to the attribute mentioned in the scenario that the car had 186,000 miles. For two of the attributes (mileage and model year) there existed concise, definitive correct answers and I scored responses as either correct or incorrect. Participants correctly recalled these facts about the car 68% of the time. I hypothesized that the experience of making a persuasive argument would increase the salience of ideas used in the argument. In a test between conditions using a logistic model to predict recall as a function of condition, participants in the no-argument condition were marginally less likely to recall the car's mileage than were those in the argument condition  $B_{\text{no argument}} = -.148, SE = .082, p = .073$ . The effect of the argument-exposure condition was not significantly different than the argument condition in this case. The same test revealed no significant differences by condition for recall of the model year of the car.

Within the argument condition, I can test whether participants who actually used an argument were more likely to recall the related fact than were participants in that condition who had the opportunity but did not choose to use it. Again, I see a marginal relationship between argument use and recall in the case of mileage  $X^2(1, N = 52) = 3.04, p = .081$ , but not for model year  $X^2(1, N = 52) = .027, p = .870$ .

***Importance of Attributes.*** The weight or importance given to each dimension of the car was rated on a 7 point scale from “Not at all important” to “Very important.” Six of the dimensions mapped directly to the arguments participants chose from in creating their argument. I hypothesized that making an argument concerning a specific attribute will increase the rated importance of that issue. A linear mixed-effects model predicting issue weight by the use of that issue with random effects for each participant revealed a significant effect of argument use,  $B_{\text{argument use}} = .48, SE = .13, p < .001$ , that

is that attributes that participants chose to mark arguments on were subsequently rated as being more important.

### **Discussion**

Study 6 did not replicate the effects on outcomes found in study 4 between the argument and no argument conditions, but this null effect is interesting in comparison to study 4. The studies use the same scenario and the same outcome measures. They were run at the same time with very similar populations. The fact that the outcome measures were not significantly different by condition can be interpreted as meaning that the argument (selection) and argument exposure condition in this study are not sufficient to induce the shift in attitudes I observed in study 4. Self perception in negotiation theory is based on the idea that in creating a strategic presentation of information and our beliefs about them, we infer our true beliefs and thus adapt to match those inferences. In this study, participants selected ideas generated by the experimenter and selected them for presentation. I now think that this design removed an important element of the dramaturgical and self-perception process wherein we come to believe that the ideas are our own. When it was easy to attribute the ideas to the experimenter, there may not have been any need to reconcile them with one's own beliefs.

Even lacking significant outcome effects, study 6 adds something to the discussion of process. We see some evidence of the relationship between argument use and both of the theorized mediators, issue salience and issue weight. In both cases, study 6 provides evidence that the arguments negotiators choose to make influence their perceptions and beliefs about the negotiation environment. Documenting these effects lends some support to the dual-mediation model proposed although a revised design will be necessary to test the full model all at once.

## **General Discussion**

This dissertation investigates the relationship between the arguments negotiators make and the value they subsequently perceive in their outcomes. I propose that negotiators engage in a dramaturgical act, using their strategic motivations to select advantageous information which they then present as their beliefs on the topic. This presentation creates an attitude-behavior gap which the various literatures on consistency theories suggest people will close by updating their attitude. In the case of negotiation, these new attitudes are often disadvantageous to hold depending on the negotiation strategy chosen. In the case of the value-oriented arguments I focused on in this dissertation, updating attitudes to match one's arguments is likely to depress the subjective experience of the outcome because value-oriented arguments focus on the undesirability of accepting the current offer. While this value-oriented persuasion strategy may have a positive effect on the economic outcomes of a negotiation, my theory argues that it endangers the subjective outcome. This work tested that theory in a number of ways and lends substantial support to the conclusion.

### **Summary of Results**

Across six studies, I test the idea that negotiators' arguments can influence their subjective evaluation of the outcome, and shed some light on the process by which it happens. In study 1, MBA graduates who chose to negotiate their job offers reported lower satisfaction with their offers than those who accepted their offers without negotiating. This is in spite of the fact that there was no difference in the value the graduates estimated their offers to have. Study 2 offered an initial experimental test of the idea by comparing participants who were coached to make arguments of all four basic types, or none at all in a dispute context. Participants in that study revealed a significant effect on their satisfaction depending on their use of argument strategies that were own-focused or other-focused, providing the

first experimental evidence that subjective outcomes were subject to influence in this way. Study 3 provided justification to narrow the experimental search to value-oriented arguments by demonstrating the naïve negotiator's tendency to focus on these strategies and to naturally adapt them to fit buyer and seller roles. Study 4 took the focus on the buyer-seller context and value-oriented arguments and lends the strongest single support to the theory. The outcome data in study 4 strongly support the hypothesis that the experience of making a value-oriented argument influences subjective evaluation of the outcome as well as the associated economic decisions. Analysis of the text of arguments in study 4 replicated and lent precision to the conclusions of study 3 while drawing quantitative link between the content of an argument and the perceptions of the outcomes reached from it. Study 5 attempted to extend the dependent measures into the behavioral realm but failed to replicate the basic effects. The available measures suggest this may be due to an experimental design which could be improved to ensure that the sample populations are not biased due to attrition before the behavioral outcome is measured. Study 6 tested an impoverished version of the argument creation paradigm in an attempt to get close control of the persuasive ideas implemented by participants. While this minimal argument paradigm was not sufficient to replicate the effect of argument conditions on outcomes, it added to my understanding of the necessary conditions for self-perception in this context. Study 6 also provides some evidence of the relationship between the arguments made and the dual mediators of issue salience and issue weight.

Taken together, this collection of studies is quite supportive of the overall idea that negotiation strategies, especially value-oriented arguments, have the potential to affect negotiator's perceptions of their outcomes. Further research will be needed to refine a behavioral measure of subjective outcomes and to delve deeper into the mediators.

### **Possibilities for Further Study**

This dissertation presents a number of intriguing and supportive results, but leaves a number of important questions unanswered as well. Future research will build on what has been presented here to improve on the current theory tests and expand the theory to a broader range of contexts.

These studies do not test for the presence of the effect in the more complicated but externally valid dyadic context. As illustrated in Figure 2, the experimental studies in this dissertation deal solely with the effect of the arguments a focal negotiator makes. Of course, negotiators are faced not only with the influence of their own arguments, but with those coming from their counterpart. The relative impact that these two forces have on our perceptions is extremely interesting. On one hand, the arguments coming from the counterpart likely contain novel and useful information while the arguments an actor makes can not add to his own store of information. On the other hand, negotiators are, by default, skeptical of the arguments made by the other party, but unlikely to question the veracity of their own arguments. But both are likely driven by a strategic choice to present persuasive information rather than an objective reality.

The question of argument type efficacy is also relevant to this discussion. It may be the case that value-oriented arguments are effective enough to offset the subjective costs we experience from their use. In the experimental studies presented and proposed here, outcomes were fixed regardless of strategy. This was by design to allow the measurement of the self-perception effect in isolation of changes in the economic outcome. Of course, in real negotiations, these factors could have multi-directional relationships.

I have based the specifics of my theoretical argument on the four part typology of distributive argument types originally offered by Walton and McKersie (1965), but I do not make a strong claim that this is an exhaustive typology. I do think that many of the more specific strategies discussed in

negotiation texts can be categorized as sub-types of the four argument types I used in this proposal. To the extent that more complicated strategies fit within the value-oriented argument category, I would predict similar effects.

### **Value of Contribution**

First, the idea that self-perception processes are at play in negotiation is novel. While research using a persuasion framework in the negotiation context is relatively rare in general, there is no existing work to speak of that investigates the influence we may have on ourselves. This is interesting for social psychology because most work on self-perception has relied on a paradigm in which participants are compelled by the experimenter to behave in a way that is inconsistent with their beliefs in order to create the attitude-behavior gap that drives a shift in attitudes. Negotiation is a unique context in which people are intrinsically motivated to engage in a set of strategic behaviors that are likely to create the attitude-behavior gap naturally. Given the robustness of externally created self-perception effects, the potential for pervasive effects from internally driven attitude-behavior gaps seems promising.

The implications for prescriptive negotiation guidance could also be significant. First, the type of arguments we make in negotiations may affect the satisfaction we experience with the outcomes. This would imply that the choice of arguments in a negotiation should be determined not only on how we expect it to influence our counterpart, but also with the concern that it may influence our own perceptions. To the extent that this symmetric effect exists among buyers and sellers, impasse in the face of a positive economic bargaining zone is a heightened risk.

This research may also give us reason to pause before advising that negotiations be initiated whenever possible. If value-oriented arguments are fundamental and inescapable in some contexts, the effects they have on our perceptions of the outcomes because a hazard of the entire negotiation endeavor. In situations where there may be little economic value to claim by negotiating, the

subjective costs we experience may be too risky to justify blanket prescriptions to negotiate.

Finally, the relationship between the experience of the negotiator and the experience of the outcome raises interesting questions about the role of agents in negotiation. If an employee negotiates on behalf of his or her firm, it may not be important to the principal how the outcome is perceived by the negotiator. Even for the individual, the role of agents in real estate transactions or job offer negotiations becomes more interesting. The costs associated with agents may be more justifiable with the understanding that they serve as a valuable buffer between the negotiation process and the experienced outcome.

I hope with this dissertation to contribute to the understanding of how we come to know our own beliefs during negotiation. With this understanding, we can better prescribe negotiation strategies that maximize not only the economic outcomes, but also the experienced outcomes that matter most at the end of the day.

## **Acknowledgements**

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## Appendices

### Appendix A. Study 1 Stimuli, Items from survey of MBA graduates' job negotiation experiences

#### *Current status*

1. Have you accepted one of the offers you received at this point?  
[Yes/No]
2. Did you negotiate the terms of the offer you accepted?  
[Yes/No]
3. Were you previously employed by the firm whose offer you have accepted?  
[Yes/No]

#### *Alternatives*

4. How many offers did you receive this year for post-graduation employment?  
[0,1,2,3,4,5+]

#### *Description of outcome value*

5. Please estimate the value of your compensation package relative to other people in the U.S. with similar experience doing similar jobs.  
[0 to 100 scale from "Worst Compensation" to "Best Compensation"]

#### *Satisfaction with outcome*

6. How satisfied are you with the compensation package that you accepted?  
[7pt from "Very Dissatisfied" to "Very Satisfied"]
7. When you accepted your job offer, were you more or less satisfied with the terms than when you first received it?  
[7pt from "Much Less Satisfied" to "Much More Satisfied"]

#### *Negotiation Process*

8. How many exchanges were there in total between you and the employer when negotiating your offer? (An exchange could be a letter, email, phone call, or meeting in which you discussed the terms of your offer. Please count all exchanges after the original offer. )
9. How persuasive do you think you were when negotiating the terms of your offer?  
[5pt from "Not at all Persuasive" to "Extremely Persuasive " ]
10. How persuasive do you think the firm was when negotiating the terms of your offer?  
[5pt from "Not at all Persuasive" to "Extremely Persuasive " ]

**Appendix B.** Study 2 Stimuli, Scenario of dispute between customer and mobile phone provider

Please imagine that you are in the following situation:

You have been a cellular phone customer with XYZ Wireless for three and a half years now and have been reasonably satisfied with the service. You've never been late on a payment or complained about anything to the company. Three things are most important to you in your relationship with your wireless provider: the quality of the phone, the network reception, and the customer service. There have been some pros and cons in each category:

Phone Quality

- The screen is nice and bright and clear.
- The battery sometimes runs out before the end of the day.

Network Quality

- Calls are clear and rarely dropped once connected.
- It is sometimes difficult to get a signal to make or receive calls in your office building.

Customer Service

- It has generally been very quick and easy to speak to a real person when calling customer service.
- The bill you get each month is confusing with many fees that aren't well explained.

Normally, your monthly bill is \$55, but when you checked this month it was \$95. At first you thought there must be some sort of mistake, but after reading the details of the bill, it seems you were charged \$40 for calls made while you were using a "roaming" network connection. The dates of the "roaming" calls match part of a road trip you took with family last month.

There may have been some unfamiliar symbols on your phone during the road trip, but you don't recall any messages warning you of additional charges. XYZ Wireless' ads always emphasize their nationwide coverage, so you never considered that some areas of the country may be treated differently.

You have decided to contact XYZ Wireless' customer service department by email to request that they waive the additional fees on your bill.

"Dear XYZ Wireless, Please consider revising my most recent bill by removing the \$40 in additional charges."

*Argument Condition: None*

*Argument Condition: Un-coached Argument*

Take a few minutes to write a persuasive letter to accompany this request. The letter can be as long as you want to communicate why you think the company should waive the fees.

*Argument Condition: Coached Argument: emphasize other high value*

Try using the following strategy recommended by experts for this kind of situation:

- Emphasize how valuable you are as a customer and that they should be happy to grant your request in this situation.

*Argument Condition: Coached Argument: emphasize own low value*

Try using the following strategy recommended by experts for this kind of situation:

- Emphasize the parts of their service you are dissatisfied with and that it would help if they granted your request in this situation.

*Argument Condition: Coached Argument: emphasize other's weak alternatives*

Try using the following strategy recommended by experts for this kind of situation:

- Emphasize how many other good choices you have for cellular phone service and that you are willing to switch providers.

*Argument Condition: Coached Argument: emphasize own strong alternatives*

Try using the following strategy recommended by experts for this kind of situation:

- Emphasize how costly it could be for them to lose you as a customer.

Your message has been received by XYZ Wireless, and they will reply in a moment. Please answer the following questions while you wait.

*Specific Satisfaction*

1. How satisfied are you with the quality of your phone?  
[7pt, very dissatisfied → very satisfied]
2. How satisfied are you with the quality of the wireless network and the reception you get?  
[7pt, very dissatisfied → very satisfied]
3. How satisfied are you with the customer service provided by XYZ Wireless?  
[7pt, very dissatisfied → very satisfied]

*Global Satisfaction*

4. How satisfied are you with XYZ Wireless as your wireless provider?  
[7pt, very dissatisfied → very satisfied]
5. How favorable do you feel towards XYZ Wireless as a wireless provider  
[7pt, very unfavorable → very favorable]

6. How likely are you to recommend XYZ Wireless' service to family members or close friends?  
[4pt, Very Unlikely → Very Likely]
7. How likely are you to renew your contract with XYZ Wireless when your current contract expires?  
[4pt, Very Unlikely → Very Likely]
8. How much do you trust XYZ Wireless?  
[7pt, Not at all → Very much]

*Attribute Salience*

The scenario you read described some facts regarding the phone quality, network quality, and customer service. Please list the facts you recall about each.

9. What did the scenario mention about the Phone Quality?  
\_\_\_\_\_
10. What did the scenario mention about the Network Quality?  
\_\_\_\_\_
11. What did the scenario mention about the Customer Service?  
\_\_\_\_\_
12. What other detail(s) from the scenario were most memorable to you?  
\_\_\_\_\_

*Issue Weighting*

13. How important is phone quality in your relationship with your wireless service provider?  
[7pt, Not important → Extremely important]
14. How important is network reliability and signal quality in your relationship with your wireless service provider?  
[7pt, Not important → Extremely important]
15. How important is customer service in your relationship with your wireless service provider?  
[7pt, Not important → Extremely important]
16. What other aspects of your relationship with your wireless service provider are especially important to you?  
\_\_\_\_\_
17. Please sort the issues from most important to least important  
[sortable list: Phone quality, Network quality, Customer Service]

*Process Introspection*

18. How comfortable did you feel making the request you sent to XYZ Wireless?  
[7pt, Very Uncomfortable → Very Comfortable]
19. How easy was it to make the request you sent to XYZ Wireless?  
[7pt, Very Easy → Very Difficult]
20. In your opinion, how likely is it that XYZ Wireless will remove the \$40 in additional charges?  
[7pt, Not at all likely → Very likely]
21. To what extent did you exaggerate the things you do like about being an XYZ Wireless customer?

[7pt, Not at all → Very Much]

22. To what extent did you exaggerate the things you do not like about being an XYZ Wireless customers?

[7pt, Not at all → Very Much]

23. Briefly describe the strategy or approach you used to influence XYZ Wireless

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*Company Response*

Thank you for contacting XYZ's Customer Service department. One of our representatives has read your message and reviewed your account details. We found that the charges were consistent with the policy in your customer agreement. However, we will waive \$20 of the fees charged on your most recent bill. Your revised bill for this month is \$75.

We thank you for business and hope we can address any concerns you have in the future.

*Response Satisfaction*

24. How satisfied are you with the response from XYZ Wireless?

[7pt, very dissatisfied → very satisfied]

25. How fair do you think the response from XYZ Wireless was in response to the request you made?

[7pt, completely unfair → completely fair]

*Global Satisfaction (repeated)*

26. How satisfied are you with XYZ Wireless as your wireless provider?

[7pt, very dissatisfied → very satisfied]

27. How favorable do you feel towards XYZ Wireless as a wireless provider

[7pt, very unfavorable → very favorable]

28. Would you recommend XYZ Wireless' services to a friend or family member?

[7pt, Definitely would not → Definitely would]

29. How likely are you to renew your contract with XYZ Wireless when your current contract expires?

[7pt, Very unlikely to renew → Very likely to renew]

30. How much do you trust XYZ Wireless?

[7pt, Not at all → Very much]

*Demographics, checks, etc*

31. In what year were you born?

---

32. In which state do you live?

---

33. Please indicate your gender

[Male / Female]

34. What is your native language?

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35. Do you subscribe to cellular phone service currently?

[Yes / No]

36. If so, how satisfied are you with your actual wireless provider?

[7pt, very dissatisfied → very satisfied]

37. How experienced are you as a negotiator?

[7pt, Very inexperienced → Very experienced]

38. Do you think that the process of requesting a change to your bill had an effect on your satisfaction with your relationship with XYZ Wireless?

[Yes / No]

If so, describe what you think the effect was.

\_\_\_\_\_  
39. In the scenario you read, what was the total amount of your bill this month before you contacted XYZ Wireless?

\_\_\_\_\_  
40. Do you have any questions or comments about the study?  
\_\_\_\_\_

**Appendix C.** Study 3, Exemplar excerpts of negotiation transcripts.

Quotes from interactions between buyer and seller. Novice negotiators exhibit strategic presentation strategies of the types described by Lewicki et al., 2007. Items being sold in the negotiation included a deck of playing cards, a highlighter, a bag of M&Ms, two AA batteries, and a disposable lighter.

Argument Type	Quote by ...	
	Buyer	Seller
Own Value Low	<p>“i have cards,im on a diet, i dont smoke”</p> <p>“[M&amp;M's] are alright, but [they contain] too much chocolate”</p> <p>“ok, then 2 cents for a 'made in China' highlighter”</p>	<p>“If you pay me \$2 for the bag, you'll end up with \$6 and all the stuff”</p>
Other Value High	<p>“if you sell it for 50 cents then you'll get an extra dollar when you leave, so your doin reallllly good”</p>	<p>“lighters come in handy, nobody ever has them”</p> <p>“with m&amp;Ms and cards, you can make friends”</p> <p>“\$2.50 ; regardless of needing batteries right now everyone does at some point plus cards, m&amp;ms, highlighter, you're getting the deal of a lifetime”</p>
Own BATNA Strong	<p>“And the 7-11 is only a block away.”</p> <p>“but can you tell me why I should by these items if i already have them at home?”</p>	<p>“Yes, but if I sell them to you for 25 cents I only end up making 75 I'd rather just have the M&amp;Ms”</p>
Other BATNA weak	<p>“would u rather have money or an array of things.. if we dont reach an agreement u keep the bag.”</p>	<p>“you'll pay more at the 7-11”</p>

**Appendix D.** Study 4 Stimuli, Car sales scenario

2 (role: buyer vs. seller) X 2 (argument: none vs coached value-oriented argument) design

Please imagine that you are in the following situation:

*Role Condition: Buyer*

You have been looking for a used car to buy for two months. You recently found the ad below describing a car which meets your criteria for \$2500. You have decided to contact the seller named Pat to negotiate a lower price.

You have decided to write the seller an e-mail requesting a lower price for the car.

“Dear Pat, I am interested in the car you have for sale, but I would prefer to pay less. I would only be willing to buy the car for \$2000. Please consider this price and let me know if we have a deal.”

*Argument Condition: None*

*Argument Condition: Coached Own Low Value*

Take a few minutes to write a persuasive letter to accompany this request. The letter can be as long as you want to communicate why you think the seller should lower the price.

Try using the following strategy recommended by experts for this kind of situation:

- Emphasize why you think the car is not valuable enough to justify the asking price.

*Role Condition: Seller*

You have been looking for a buyer for your used car for two months. You recently posted the ad below describing the car and asking \$2500. A buyer named Pat contacted you to negotiate a lower price.

You have decided to write the buyer an e-mail requesting that they pay the full asking price for the car.

“Dear Pat, I appreciate your interest in my car, but I would prefer to get the full asking price. I would only be willing to sell the car for \$2500. Please consider this price and let me know if we have a deal.

*Argument Condition: None*

*Argument Condition: Coached Other High Value*

Take a few minutes to write a persuasive letter to accompany this request. The letter can be as long as you want to communicate why you think the buyer should pay the asking price.

Try using the following strategy recommended by experts for this kind of situation:

- Emphasize why you think the car is valuable enough to justify the asking price.

Your message has been received by the [buyer/seller] and they will reply in a moment. Please answer the following questions while you wait.

*Attribute Salience*

The advertisement described some details of the car. Please

1. What model year is the car?  
\_\_\_\_\_
2. How many miles did the car have on it?  
\_\_\_\_\_
3. Which part of the car had a small crack?  
\_\_\_\_\_
4. Which accessories were included with the car?  
\_\_\_\_\_
5. What other detail(s) from the scenario were most memorable to you?  
\_\_\_\_\_

*Issue Weighting*

6. How important is the model year of the car to you?  
[7pt, Not important → Extremely important]
7. How important is the mileage the car has to you?  
[7pt, Not important → Extremely important]
8. How important is the physical condition of the car to you?  
[7pt, Not important → Extremely important]
9. How important are the safety features of the car?  
[7pt, Not important → Extremely important]
10. How important is the reliability of the car?  
[7pt, Not important → Extremely important]
11. What other aspects of the car are especially important to you?  
\_\_\_\_\_

*Subjective Value of Car*

12. How attractive do you think the car is?  
[7pt, Not at all attractive → Very attractive]
13. How favorable do you feel towards the car  
[7pt, Very unfavorable → very favorable]
14. How likely would you be to show off the car to family members or close friends?  
[4pt, Very Unlikely → Very Likely]
15. How excited would you be to complete this deal?  
[7pt, Not at all excited → Very Excited]
16. How much do you trust the [buyer/seller]?  
[7pt, Not at all → Very much]

*Process Introspection*

17. How comfortable did you feel making the request you sent to the [buyer/seller]?

- [7pt, Very Uncomfortable → Very Comfortable]
18. How easy was it to make the request you sent to the [buyer/seller]?  
[7pt, Very Easy → Very Difficult]
19. In your opinion, how likely is it that the [buyer/seller] will agree to your request?  
[7pt, Not at all likely → Very likely]
20. To what extent did you exaggerate the things you do like about the car?  
[7pt, Not at all → Very Much]
21. To what extent did you exaggerate the things you do not like about the car?  
[7pt, Not at all → Very Much]
22. Briefly describe the strategy or approach you used to influence the [buyer/seller]
- 

*Reservation Price*

23. [You/The seller] originally offered the car for \$2500. [The buyer/You] then made an offer of \$2000. What is the [lowest/highest] price you would be willing to accept from the [buyer/seller]?
- 

*Counterpart's Response*

Thank you for writing. I thought about your offer and think we can reach a deal. I do think my request was fair, but I am willing to [buy/sell] the car for \$2,250. I hope this price works for you and we can get this sale done.

*Response Satisfaction*

24. How satisfied are you with the response from the [buyer/seller]?  
[7pt, very dissatisfied → very satisfied]
25. How fair do you think the response from the [buyer/seller] was in response to the request you made?  
[7pt, completely unfair → completely fair]
26. Would you accept the [buyer/seller]'s offer?  
[Yes / No]

*Subjective Value of Car*

27. How attractive do you think the car is?  
[7pt, Not at all attractive → Very attractive]
28. How favorable do you feel towards the car  
[7pt, Very unfavorable → very favorable]
29. How likely would you be to show off the car to family members or close friends?  
[4pt, Very Unlikely → Very Likely]
30. How excited would you be to complete this deal?  
[7pt, Not at all excited → Very Excited]
31. How much do you trust the [buyer/seller]?  
[7pt, Not at all → Very much]

*Demographics, checks, etc*

32. In what year were you born?

\_\_\_\_\_  
33. In which state do you live?

\_\_\_\_\_  
34. Please indicate your gender  
[Male / Female]

35. What is your native language?

\_\_\_\_\_  
36. Do you own a car currently?  
[Yes / No]

37. If so, how satisfied are you with your actual car?  
[7pt, very dissatisfied → very satisfied]

38. How experienced are you as a negotiator?  
[7pt, Very inexperienced → Very experienced]

39. Do you think that the process of requesting a better price for the car had an effect on how much you liked the car?  
[Yes / No]

If so, describe what you think the effect was.

\_\_\_\_\_  
40. Do you have any questions or comments about the study?  
\_\_\_\_\_

**Appendix E.** Study 5 Stimuli, Kindle study

2 (argument: none vs coached value-oriented argument) design

Please imagine that you are in the following situation:

You have been shopping for some new reading material for your Kindle and came across a new marketplace similar to Craigslist or Ebay in which independent sellers offer e-books for sale. The marketplace is run by Amazon, and the books are being sold legally. Many of the e-books are hard to find or not available from traditional e-book retail sources. After browsing through the site for a while, you find a book that you may be interested in buying ...

The book is Stephen King's recent novella *Mile 81* and it is being offered for sale by the user BookSeller234 for \$6.00.

Please take a few minutes and read through the information about this e-book. Click the buttons below to see the different types of information. It is important that you review the information thoroughly. Remember, please don't visit any other websites while you're completing the study.

[information about *Mile 81* includes 10 user reviews, 1 editorial review, book summary, and basic information]

You are interested in buying the book, but \$6 is more than you'd like to spend. You heard from a friend that it is sometimes possible to negotiate a lower price by contacting the seller.

You have decided to write the seller an e-mail requesting a lower price for the e-book.

If our request for a lower price is accepted by the seller in this study, you will be given a link to download the e-book to your real kindle device after the study is complete.

*Argument Condition: None*

*Argument Condition: Coached Own Low Value*

Take a few minutes to write a persuasive letter to accompany this request. The letter can be as long as you want to communicate why you think the seller should lower the price.

Try using the following strategy recommended by experts for this kind of situation:

- Emphasize why you think the book is not valuable enough to justify the asking price.

Your message has been received by the [buyer/seller] and they will reply in a moment. Please answer the following questions while you wait.

*Subjective Value of Book*

1. How interesting do you think the book will be?  
[7pt, Not at all interesting → Very interesting]
2. How favorable do you feel towards the book?  
[7pt, Very unfavorable → very favorable]
3. How likely would you be to share the book with family members or close friends?  
[4pt, Very Unlikely → Very Likely]
4. How excited would you be to complete this deal?  
[7pt, Not at all excited → Very Excited]
5. How soon do you think you will read the book?  
[7pt, Not for quite a while → Immediately]

*Counterpart's Response*

Thank you for writing. I will accept your offer of \$5.00 for the book.

[Instructions for downloading the book will be given at the end of the study.]

*Subjective Value of Book*

1. How interesting do you think the book will be?  
[7pt, Not at all interesting → Very interesting]
2. How favorable do you feel towards the book?  
[7pt, Very unfavorable → very favorable]
3. How likely would you be to share the book with family members or close friends?  
[4pt, Very Unlikely → Very Likely]
4. How excited would you be to complete this deal?  
[7pt, Not at all excited → Very Excited]
5. How soon do you think you will read the book?  
[7pt, Not for quite a while → Immediately]

*Demographics, checks, etc*

6. In what year were you born?  
\_\_\_\_\_
7. In which state do you live?  
\_\_\_\_\_
8. Please indicate your gender  
[Male / Female]
9. What is your native language?  
\_\_\_\_\_
10. Do you use a kindle device currently?  
[Yes / No]
11. If so, how satisfied are you with your kindle device?  
[7pt, very dissatisfied → very satisfied]
12. How experienced are you as a negotiator?  
[7pt, Very inexperienced → Very experienced]
13. Do you think that the process of requesting a better price for the car had an effect on how much you liked the car?

[Yes / No]

If so, describe what you think the effect was.

14. Do you have any questions or comments about the study?

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**Appendix F.** Study 6, Buyer-Seller Scenario with pre-composed arguments

[Same scenario as buyer role in study 4]

You have decided to write the seller an e-mail requesting a lower price for the car.

“Dear Pat, I am interested in the car you have for sale, but I would prefer to pay less. I would only be willing to buy the car for \$2000. Please consider this price and let me know if we have a deal.”

*Argument Condition: None*

*Argument Condition: Restricted Set: Own Low Value*

Take a few minutes and choose some of the arguments listed below to support your request for a lower price. You may select as many of these arguments as you think will be effective in persuading the seller to accept your offer.

“Please consider the lower price I am requesting because ...”

- 186,000 miles is so many I'm worried the car won't be reliable.
- The car is 20 years old, I'm not sure it's very attractive to people my age.
- The scuffed wheels and cracked bumper will need to be repaired which might be costly.
- Cars that age don't have as many safety features as newer cars.
- The fact that many parts are new makes me think that things are needing to be replaced frequently.
- You didn't mention the fuel economy of the car, I'm assuming it's not very good?

Please type each statement you would like to include exactly as it is written, and send the argument when you are done.

*Argument Condition: Argument Exposure*

[after sending request]

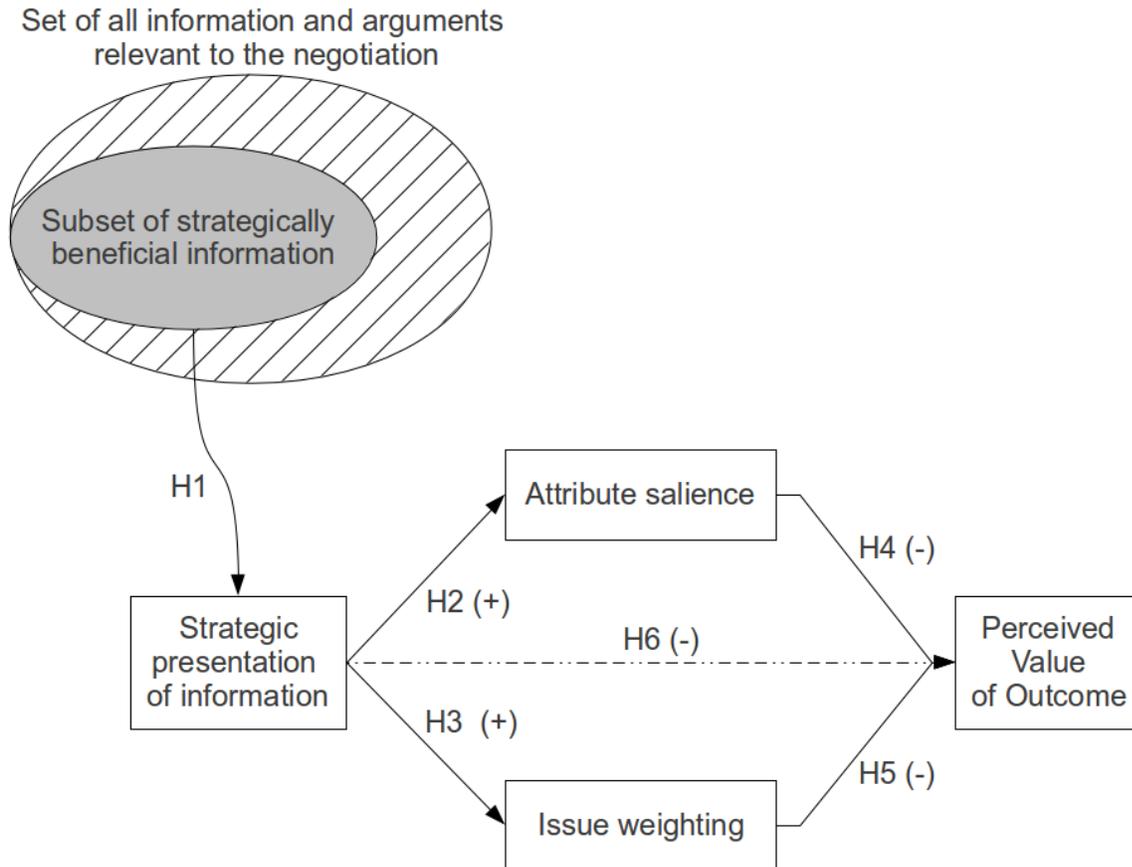
Your message has been received by the [seller] and they will reply in a moment. While you wait, read these arguments made by buyers in a different version of the study. Click continue after you have read the arguments.

- 186,000 miles is so many I'm worried the car won't be reliable.
- The car is 20 years old, I'm not sure it's very attractive to people my age.
- The scuffed wheels and cracked bumper will need to be repaired which might be costly.
- Cars that age don't have as many safety features as newer cars.
- The fact that many parts are new makes me think that things are needing to be replaced frequently.
- You didn't mention the fuel economy of the car, I'm assuming it's not very good?

[Post argument scales identical to Study 4]

### Figures

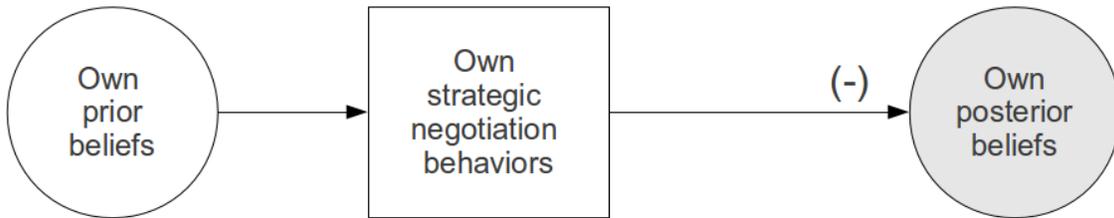
**Figure 1.** Proposed model of self-perception mechanism



**Figure 2.** Illustration of predicted effects in monadic and dyadic designs.

The dyadic design includes effects from one's own behavior as well as from one's counterpart.

Monadic Design



Dyadic Design

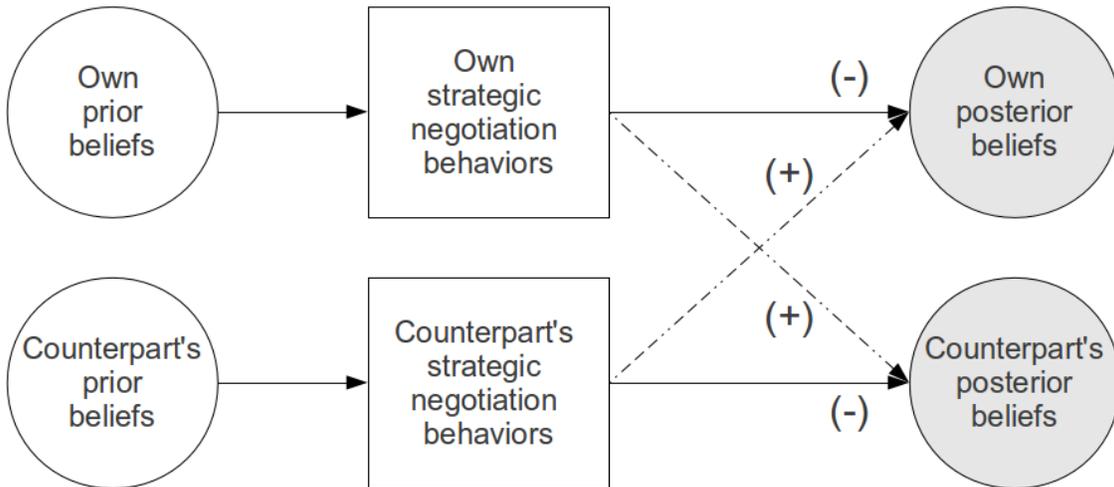


Figure 3. Study 1, Satisfaction with Outcome

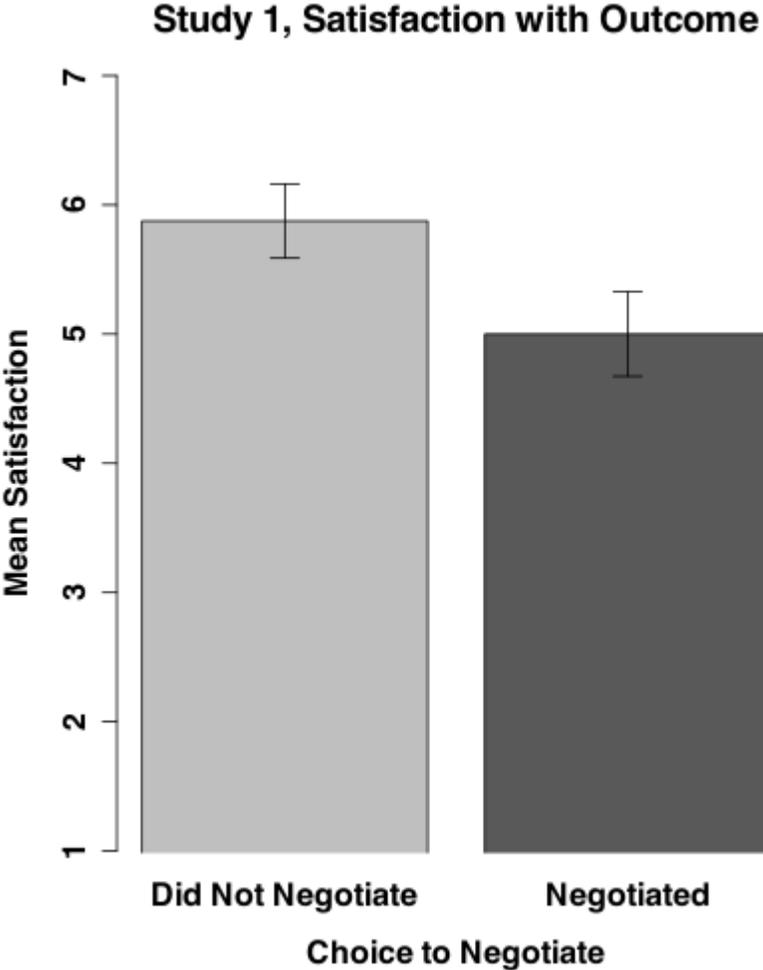


Figure 4. Study 2, global satisfaction after writing and sending a persuasive argument.

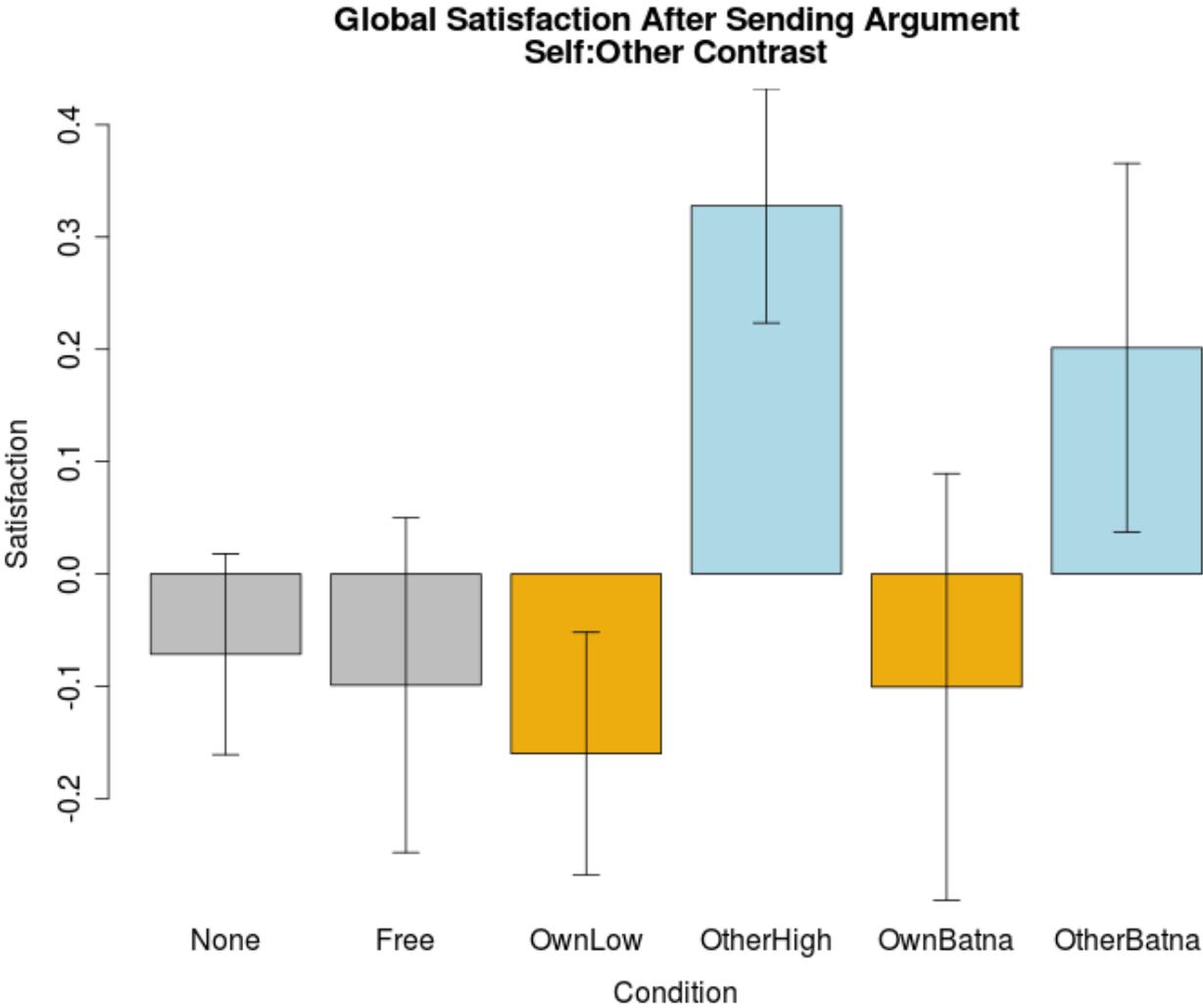


Figure 5. Study 4, Subjective value by role and argument conditions

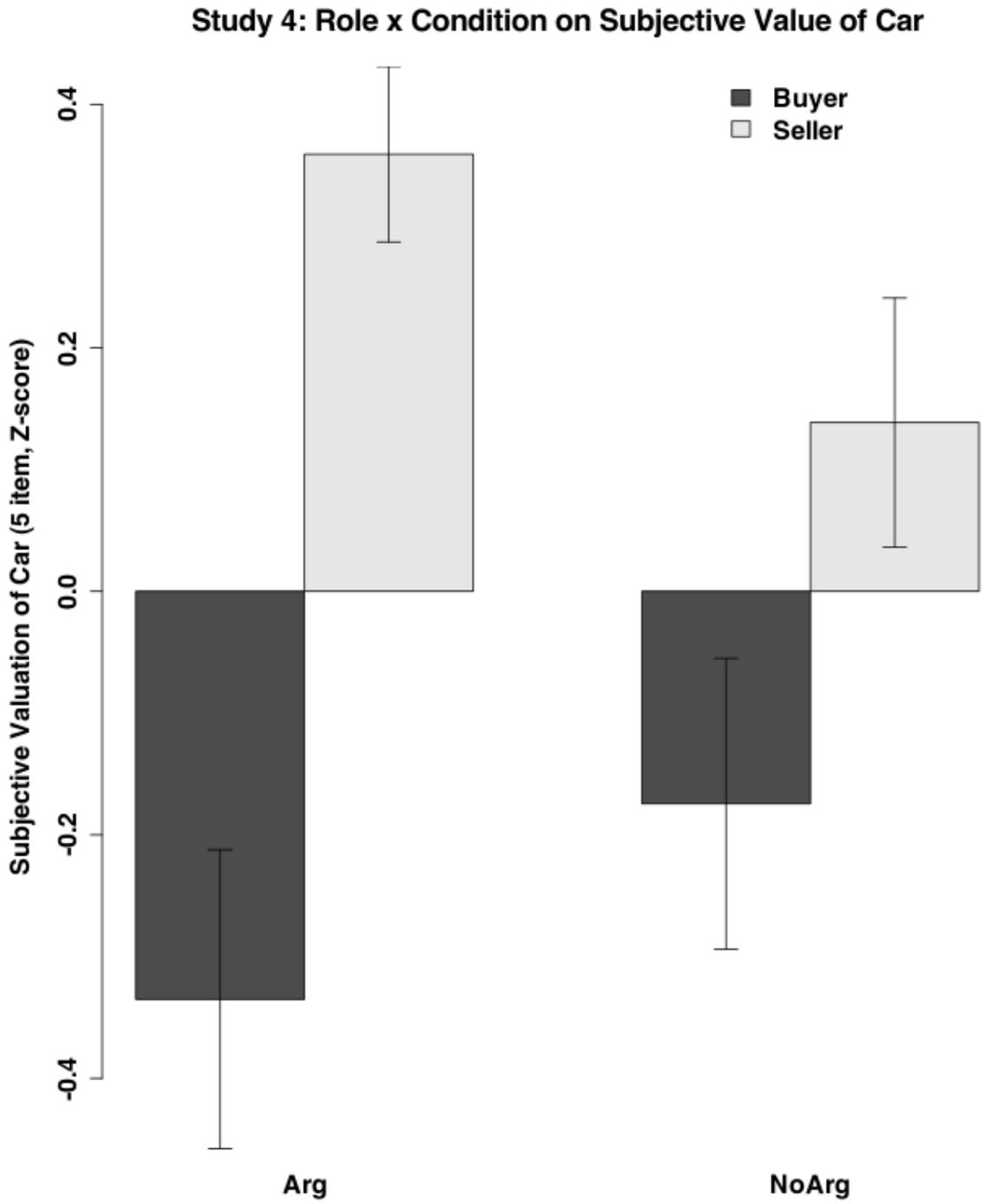
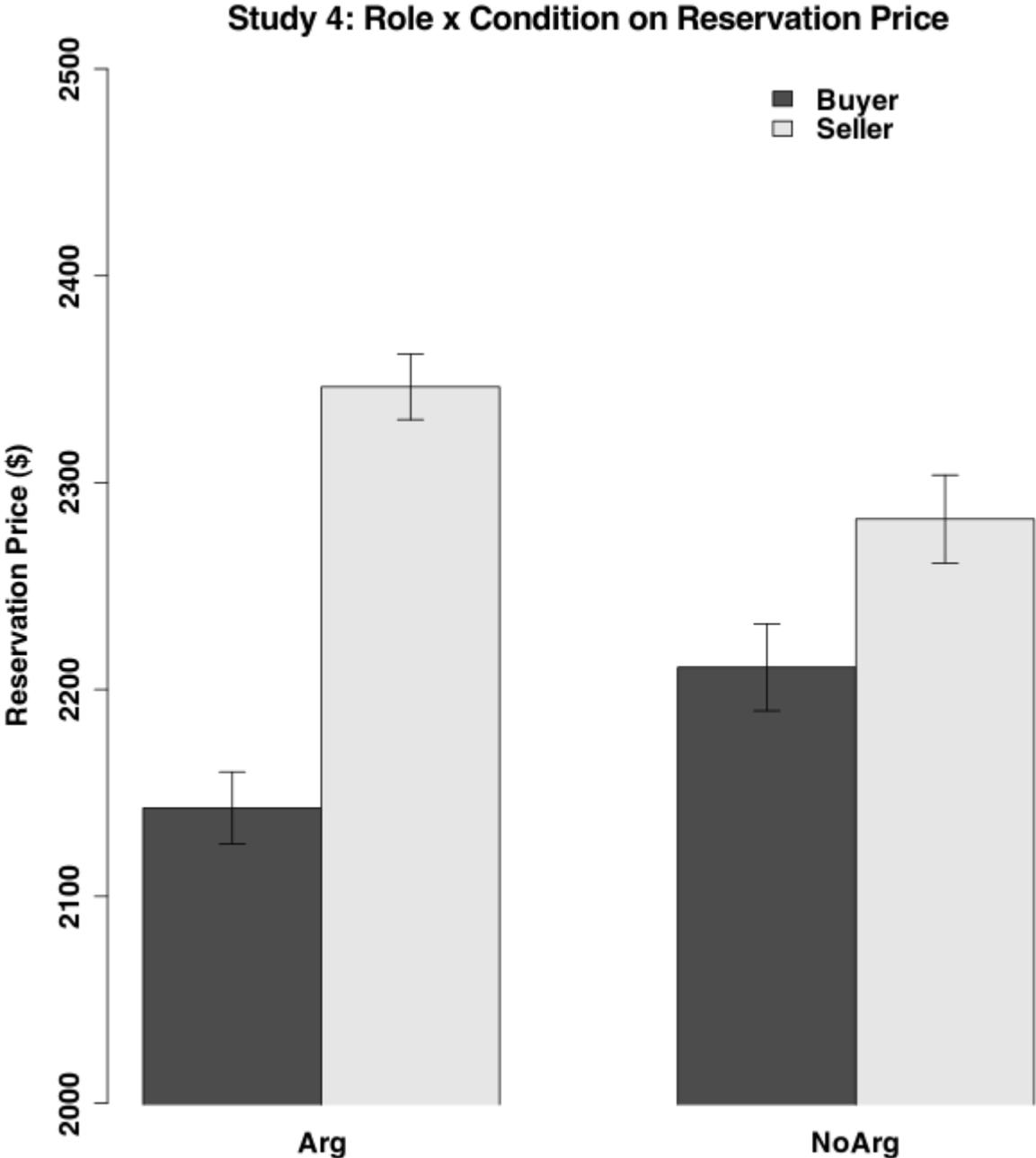


Figure 6. Study 4, Reservation Price by role and argument conditions



**Figure 7.** Study 4, Relative topic use in argument by Role with rated value of topic indicated

